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[ISSUED THURSDAY, 11TH NOVEMBER, 1920.]

COMMONWEALTH OF AUSTRALIA. *Parliamentary Debates*

PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

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EIGHTH PARLIAMENT.

FIRST SESSION.

Governor-General.*

His Excellency the Right Honorable HENRY WILLIAM, BARON FORSTER, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

* From 6th October, 1920.

Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General ..	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy ..	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G.
	<i>Succeeded by</i>
	The Honorable W. H. Laird Smith (28th July, 1920).
Treasurer ..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
	<i>Succeeded by</i>
	The Right Honorable William Alexander Watt, P.C. (27th March, 1918).††††
	<i>Succeeded by</i>
	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. (28th July, 1920).
Minister for Defence ..	The Honorable George Foster Pearce.
Minister for Repatriation ..	The Honorable Edward Davis Millen.
Minister for Works and Railways ..	The Right Honorable William Alexander Watt, P.C.
	<i>Succeeded by</i>
	The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Home and Territories ..	The Honorable Patrick McMahon Glynn, K.C.†††
	<i>Succeeded by</i>
	The Honorable Alexander Poynton, O.B.E. (4th February, 1920).
Minister for Trade and Customs ..	The Honorable Jens August Jensen.†
	<i>Succeeded by</i>
	The Right Honorable William Alexander Watt, P.C. (13th December, 1918).
	<i>Succeeded by</i>
	The Honorable Walter Massy Greene (17th January, 1919).
Postmaster-General ..	The Honorable William Webster.†††
	<i>Succeeded by</i>
	The Honorable George Henry Wise (4th February, 1920).
Vice-President of the Executive Council ..	The Honorable Littleton Ernest Groom.
	<i>Succeeded by</i>
	The Honorable Edward John Russell (27th March, 1918).
Honorary Minister ..	The Honorable Edward John Russell.
	Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister ..	The Honorable Alexander Poynton.
	Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister ..	The Honorable George Henry Wise.
	Appointed Postmaster-General, 4th February, 1920.
Honorary Minister ..	The Honorable Walter Massy Greene.
	Appointed Minister for Trade and Customs, 17th January, 1919.*
Honorary Minister ..	The Honorable Richard Beaumont Orchard.**
Honorary Minister ..	The Honorable Sir Granville de Laune Ryrie, K.C.M.G., C.B., V.D.††
Honorary Minister ..	The Honorable William Henry Laird Smith.††
	Appointed Minister for the Navy, 28th July, 1920.
Honorary Minister ..	The Honorable Arthur Stanislaus Rodgers.***

* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—** Resigned office, 31st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.—†††† Resignation from office gazetted, 15th June, 1920.—*** Appointed 28th July, 1920.

Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator Thomas Jerome Kingston Bakhap.

* Adamson, John, C.B.E. (Q.)	* Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O. (Q.)
Bakhap, Thomas Jerome Kingston (T.)	
* Benny, Benjamin (S.A.)	* Guthrie, James Francis (V.)
Bolton, William Kinsey, C.B.E., V.D. (V.)	Guthrie, Robert Storr (S.A.)
² Buzacott, Richard (W.A.)	Henderson, George (W.A.)
* Cox, Charles Frederick, C.B., C.M.G. (N.S.W.)	Keating, Hon. John Henry (T.)
Crawford, Thomas William (Q.)	* Lynch, Patrick Joseph (W.A.)
De Largie, Hon. Hugh (W.A.)	Millen, Hon. Edward Davis (N.S.W.)
* Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O. (W.A.)	* Millen, John Dunlop (T.)
* Duncan, Walter Leslie (N.S.W.)	* Newland, John, C.B.E. (S.A.)
Earle, Hon. John (T.)	* Payne, Hon. Herbert James Mockford (T.)
* Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M. (V.)	² Pearce, Hon. George Foster (W.A.)
Fairbairn, George (V.)	¹ Plain, William (V.)
Foll, Hattil Spencer (Q.)	Pratten, Herbert Edward (N.S.W.)
² Foster, George Matthew (T.)	Reid, Matthew (Q.)
* Gardiner, Albert (N.S.W.)	¹ Rowell, James, C.B. (S.A.)
* Givens, Hon. Thomas (Q.)	* Russell, Hon. Edward John (V.)
	Senior, William (S.A.)
	Thomas, Hon. Josiah (N.S.W.)
	* Wilson, Reginald Victor (S.A.)

1. Appointed Temporary Chairman of Committees, 21st July, 1920. 2. Elected 13th December, 1919. Sworn 21st July, 1920. 3. Appointed Temporary Chairman of Committees, 26th February, 1920. • Elected 13th December 1919. Sworn 1st July, 1920.

PAIRS.

Bamford, F. W.	Blakeley, A.
Bayley, J. G.	West, J. E.
Best, Sir Robert	Maloney, Dr.
Bowden, E. K.	Watkins, D.
Bruce, S. M.	McDonald, C.
Chapman, Austin	Gabb, J. M.
Foster, Richard	Riley, E.
Fowler, J. M.	Fenton, J. E.
Livingston, J.	Mahony, W. G.
Marks, W. M.	Lavelle, T. J.
Watt, W. A.	Anstey, F.
Hay, A.	Nicholls, S. R.
Hill, W. C.	McGrath, D. C.
Jowett, E.	Mahon, H.
Atkinson, L.	Catts, J. H.
Page, Dr. Earle	Brennan, F.

Question so resolved in the affirmative.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—The honorable member for Melbourne Ports is suspended for the remainder of the sitting.

In Committee:

Mr. CUNNINGHAM (Gwydir). [10.39].

—I register my emphatic protest against the payment of any money in circumstances such as are now under discussion, because I consider such payments unjustifiable to the people of Australia. They should not be required to find money for a purpose indicated by the Prime Minister himself when he used the phrase, "lawyers have got away with the boodle."

It must be enlightening to the people to know that, as the result of the failure of the Prime Minister to hold his tongue, they have been called upon to pay away "boodle" to lawyers. There has been an expenditure of thousands of pounds. Nobody knows what the total amount is going to be. The Prime Minister contends that the secret diplomacy about which we have heard so much of late years should be wiped out; but there has been more secret diplomacy and more smothering-up in connexion with this Parliament than in connexion with any other Parliament in the world. It is like drawing back teeth to get even the most meagre information in regard to matters of the greatest concern to the people of Australia. To-night we had an example of this. It took a couple of hours of strenuous fighting to get a statement from a responsible Minister. There is altogether too much of this going on in Parliament. Owing to the operation of the War Precautions Act, discussion has been stifled both inside and out-

side of Parliament, and the people of Australia have not been able to ascertain what has been done with the money to pay the costs of this case, all due to the bungling and blundering of this National Administration.

Sir JOSEPH COOK.—When are you going to stop your abuse?

Mr. CUNNINGHAM. — The Treasurer, as a representative of the Government, does not like to be reminded of these facts. Let me also tell him that, so far as interjections are concerned, he is the worst offender in this House. He sets a very bad example.

The CHAIRMAN (Hon. J. M. Chanter).—Order!

Mr. CUNNINGHAM. — The Treasurer does not like to be reminded of the fact that the people of Australia have been "bull-dozed," because he has not exercised proper control over his Department.

Sir JOSEPH COOK.—More abuse!

Mr. CUNNINGHAM.—It is because of this smothering-up that honorable members on this side of the House have to fight, in order to see that justice is done, and in order that the people may ascertain what is the real position. Nobody knows what is the state of our finances to-day, because of the keep-it-dark policy of this Government, backed up by the great majority of members who are not prepared to give a fair deal in regard to many matters that come before this Parliament. Nobody can say what this *Merton* versus *Hughes* case has cost the people of Australia. Nobody knows what it is going to cost. I feel very strongly in regard to this matter, because there has been a continual smothering-up of public expenditure, and we have never been allowed to know what is going on. We have never been able to find out how this expenditure has been incurred, and who benefits from it. This is altogether wrong. An assault was made on my character to-night by the Prime Minister, and I tell him—

The CHAIRMAN.—Order!

Mr. CUNNINGHAM.—I tell the Prime Minister that I come into this House with a clean name, and a clean record. There are no Senate scandals behind me, and—

The CHAIRMAN.—Order! The honorable member must not indulge in these personalities.

Mr. CUNNINGHAM. — I tell the Prime Minister that I am not going to take this attack upon my character—

The CHAIRMAN.—Order! I have asked the honorable member to keep away from personalities, but he has deliberately referred to the Prime Minister again.

Mr. PARKER MOLONEY. — But the Prime Minister started it.

The CHAIRMAN.—Order! The honorable member for Hume is out of order.

Mr. PARKER MOLONEY.—Of course, I know that.

The CHAIRMAN.—I again appeal to honorable members to preserve the dignity of the Committee. I ask them not to continue making defiant statements when called to order by the Chair, and not to indulge in personalities.

Mr. CUNNINGHAM.—I have no desire to defy you, Mr. Chairman, or to infringe the rules of this House, but I tell you, sir, that no man is going to make an assault on my character without my defending it.

The CHAIRMAN.—Order!

Mr. CUNNINGHAM.—I have to take up this attitude because of the attack made on me by the Leader of the Government.

The CHAIRMAN.—Order! I direct the honorable member to discontinue his speech. The question is, "That the item be reduced by £1."

Mr. HECTOR LAMOND (Illawarra) [10.45].—I can understand the disappointment of honorable members opposite at the discovery of this mare's nest on last year's Estimates.

Mr. PARKER MOLONEY.—It is not on last year's Estimates at all.

Mr. HECTOR LAMOND.—Their suggestion that there has been an attempt to conceal and cover up certain expenditure is entirely spoiled by the admission of the honorable member for West Sydney (Mr. Ryan) that when some time ago he asked a question of the Treasurer (Sir Joseph Cook) with regard to this matter he was told that it was in the Attorney-General's Department. He then allowed the matter to drop.

Mr. RYAN.—No, he did not.

Mr. HECTOR LAMOND.—There is no record, at all events, of his having asked the question of the Attorney-General, and that only involved the writing out of the question and handing it to the Clerk.

Mr. RYAN.—That is quite incorrect.

Mr. HECTOR LAMOND.—So that the first statement that all this has been discovered because of some action which had occupied a couple of hours of the time of the House to-night is entirely misleading, on the statement of the honorable member for West Sydney himself. If he had pursued his question he would probably have got then as much information as we shall get to-morrow as the result of what has happened to-night. The debate to-night is reminiscent of a good deal we heard in the last Parliament in connexion with the War Precautions Act, which has nothing to do with the case.

Amendment negatived.

Proposed vote agreed to.

Motion that progress be reported, agreed to.

The CHAIRMAN (Hon. J. M. Chanter).—Before reporting progress I should like to appeal, as calmly as possible, to honorable members—

Mr. PARKER MOLONEY.—What is this, an apology?

The CHAIRMAN.—The honorable member for Hume has immediately become offensive again.

Mr. PARKER MOLONEY.—I did not hear what you said.

The CHAIRMAN.—I am asking honorable members of the Committee on both sides of the House, and particularly the leaders and ex-leaders of parties, to assist the Chair in the conduct of business. They may believe that they are in a position to judge as well as the occupant of the chair what is taking place, but that is not so. The Chairman is in an altogether different position. It is his duty to preserve order in debate on both sides, but it is impossible for the Chairman to do that and preserve the dignity of the Committee if he is to be treated as the Chairman has been treated to-night. I have had thirty-five years of parliamentary experience, and never before have I heard language used, unrebuked by the leaders of parties, such as

that which I had to listen to to-night. I therefore make an appeal to honorable members that, when we resume our Committee work on the next day of sitting, they refrain from interjections and personalities, which always lead to disorder. I hope that we shall have no more such scenes as that we have witnessed to-night, and for which one honorable member suffered the penalty.

Progress reported.

ADJOURNMENT.

DEPORTATION OF SHROEDER.

Motion (by Mr. HUGHES) proposed—

That the House do now adjourn.

Mr. TUDOR (Yarra) [10.52].—I wish to hear from the Assistant Minister for Defence (Sir Granville Ryrie) a statement regarding a case about which I have spoken to him, the person concerned being, I understand, a constituent of the honorable member for East Sydney (Mr. West), who is absent with the Finance Committee. A man named Shroeder was interned in 1915, and because of his internment his wife is taking proceedings against him for divorce on the ground of desertion. He is being deported, and thus being prevented from defending the case. I ask the Minister whether, in view of this fact, his deportation may be suspended for a time to allow of him making a defence.

Sir GRANVILLE RYRIE (North Sydney—Honorary Minister) [10.53].—There is no chance of the deportation decision being reversed. Shroeder's case has hung on so long, because he has made excuses from time to time for remaining in Australia. He has been on parole to report himself, and has broken his word. Now, at the last minute, he asks to be permitted to remain longer in Australia, because of the proceedings taken against him in the Divorce Court by his wife. I know some of the facts, which I shall not discuss here, and I assure the honorable member that there is nothing to warrant us in allowing Shroeder to remain in the country any longer. It would not be to any one's benefit for him to stay here, and he will be deported within the next few days.

Question resolved in the affirmative.

House adjourned at 10.54 p.m.

Senate.

Friday, 5 November, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 11 a.m., and read prayers.

PASSPORTS BILL.

Bill returned from the House of Representatives, with amendments.

Motion (by Senator PEARCE) agreed to—

That so much of the Standing and Sessional Orders be suspended as would prevent the message being at once considered and all consequent action taken.

AIR NAVIGATION BILL.

SECOND READING.

Senator PEARCE (Western Australia—Minister for Defence) [11.4].—In moving—

That this Bill be now read a second time,

I ask honorable senators, in view of the fact that we shall not be sitting next week, to recognise the necessity for passing it through all its stages, if possible, to-day. The present position in Australia is that there is practically no law in existence relating to aerial navigation other than the police laws of the States. With the progress that is being made in aviation here that is an extremely undesirable and dangerous state of affairs. To-day a person is at liberty to fly in any kind of machine whatsoever. That machine may be absolutely unsafe, it may have undergone no test, and yet, in respect of civil aviation, a man may not only fly in it, but may also carry passengers. When we reflect that a motor-driver is required to pass an examination and to obtain a licence before being permitted to drive any motor vehicle, we must recognise, especially in view of the greater risks that are attendant upon air traffic, how essential it is that at the earliest possible moment this traffic should be regulated. Up to date the Commonwealth Government have not placed anything in

regard to air navigation upon a statutory basis. We are just now inviting applicants for the position of Controller of Civil Aviation. Consequently, we are not yet in a position to initiate any departure from the legislation which has been enacted in other parts of the world concerning aerial navigation. We know that other countries have passed legislation in respect of this subject—legislation which has been tested and which has proved efficacious. Therefore, the Government feel that the best course for them to follow is to bring down a Bill empowering them to make regulations similar to those which are in existence in the United Kingdom, but with such alterations as may be necessary to meet our somewhat different circumstances. Later on, after a Controller of Civil Aviation has been appointed, and in the light of the experience which we shall then have gained, we shall be able to bring down a more comprehensive Bill dealing with this subject. One of the difficulties encountered at present is that at the time our Constitution was framed aerial navigation was not thought of. Consequently, there is no provision in it which directly confers upon the Commonwealth the power to control aviation. It is held, however, by high legal authorities, that the Commonwealth possesses this power, partly through its trade and commerce power, and partly through its defence power. But, lest there should be any doubt upon the point, it was brought before the State Governments, who at once recognised that this is essentially a subject for Federal control; that it would be impossible to create artificial State boundaries in the air; that it is desirable that any legislation upon this matter should be of a uniform character, and should be centralized.

Senator R. STORRIE GUTHRIE.—Will aviation be an absolute Government monopoly, for instance, as between Melbourne and Hobart?

Senator PEARCE.—That matter is not dealt with in the Bill. At the present time there are aeroplanes in the Commonwealth which are owned by private enterprise, and in some cases they are carrying both passengers and parcels. There is no legislation governing them. All that this Bill purports to do is to enable

us to enact the necessary legislation to provide for the inspection of machines.

Senator R. STORRIE GUTHRIE.—It will not wipe out private enterprise in aerial navigation?

Senator PEARCE.—No. It will simply regulate and legalize that traffic. It is essential that there should be some testing of machines before they are allowed to carry passengers. Still more important is it that aviators should be subjected to some examination regarding their qualifications, and possibly also regarding their physical condition. At present we have no power to provide for that. The Government, therefore, have introduced this Bill, which will empower them to frame regulations dealing with these matters. We propose to adopt the regulations which are in force in the United Kingdom, with such modifications as are obviously necessary to meet our local conditions. At a Conference of State Premiers recently a resolution was passed affirming that they would bring forward Bills conferring upon the Commonwealth Parliament the power to legislate in this regard. There are only two qualifications attaching to that decision, a qualification saving the police powers of the State—which, of course, is essential—and a qualification providing that any State shall have the right to own aeroplanes. Subject to these two qualifications, a draft Bill has been prepared by the New South Wales Government, upon whom this obligation was laid by the Conference, and the various State Governments are now proceeding to pass that measure into law. As the different States pass their enabling Acts, we can proclaim the Bill which is now before us.

Senator R. STORRIE GUTHRIE.—Suppose that one State will not agree to pass that legislation?

Senator PEARCE.—All the States have pledged themselves to pass it. Honorable senators may be disposed to inquire what benefits we anticipate will flow from the passing of this measure. Probably it will induce the States to take earlier action than they would otherwise take. I have already said that we propose to appoint a Controller of Civil Aviation. Provision is made in regard to the applications which we are inviting for the position, that preference shall be given to returned sailors and soldiers with actual experience of aviation. We are assured

that there is quite a number of men in the Commonwealth who possess these qualifications, and I have no doubt that we shall be able to secure the services of a competent man. It will be his duty to advise the Government upon this matter, upon the administration of the regulations, and also the drawing up of conditions to govern both the examination of machines and of pilots. In other words, his duties in regard to aerial navigation will be similar to those which are discharged by the Director of Navigation in regard to marine navigation. It is recognised by the Government that the development of civil aviation in the Commonwealth will be a big factor in the defence of this country. The more we establish civil aviation, and the more aeroplanes, pilots, and mechanics we have devoted to this art, the safer we shall be from a defence stand-point. If we can encourage civil aviation it will doubtless relieve the Commonwealth of a large expenditure upon military aviation in connexion with its Permanent Forces. In order that defence aviation may be linked up with civil aviation, the Controller of Civil Aviation is to be given a seat upon the Defence Council of Aviation. This will not confer on that Council control of civil aviation, but it will give the Controller of Civil Aviation a voice in the defence aviation of the Commonwealth. It will thus create a *liaison* between these two branches; it will co-ordinate them, and it will lead to economy and to the development to the fullest possible extent of civil aviation within the Commonwealth.

Australia was a party to an International Convention which dealt with the subject of air control from the international viewpoint. I have in my hand a copy of that Convention, which was signed in Paris on the 13th October, 1919. I represented the Commonwealth at the Convention and signed on its behalf. The subject-matter embraces a very wide field; it is interesting to examine the lists of countries which were represented. They are as follow:—

America, Belgium, Bolivia, Brazil, Great Britain and Ireland, Canada, Australia, South Africa, New Zealand, India, China, Cuba, Ecuador, France, Hellenes, Guatemala, Haiti, Hedjaz, Honduras, Italy, Japan, Liberia, Nicaragua, Panama, Peru, Poland, Portugal, Roumania, Serbs, Croats and Slovenes, Siam, Czecho-Slovak Republic, Uruguay.

The matters dealt with by the Convention are indicated under the following headings:—

Nationality of aircraft; certificates of airworthiness and competency; rules to be observed on departure, when under way, and on landing; prohibited transport; International Commission for air navigation; table of marks; rules as to lights; rules as to signals; rules of the air; rules for air traffic on and in the vicinity of aerodromes; minimum qualifications necessary for obtaining certificates as pilots and navigators; international aeronautical maps and ground markings.

It will be seen that the main items deemed necessary for the control of air navigation have now been made the subject of an international agreement. This latter lays down the minimum requirements. Any national signatory to the Convention may make more stringent regulations if it so wishes. It can have a more exacting set of conditions, but the various nations mentioned have agreed to these minimum conditions.

Senator R. STORRIE GUTHRIE.—In Australia we can say that no pilot shall be licensed unless he is an Australian?

Senator PEARCE.—We can say that no pilot shall have a licence unless he is a Presbyterian. There is no limitation, but there are certain minimum conditions to which we have subscribed, and by which we must abide. The very fact of the Convention having been held affords the clearest indication that this whole subject must be a Federal matter. It is not feasible that the six individual States should have their representatives separately attending a Convention such as was held in Paris. Australia must speak with one voice.

While, for the present, international flying does not affect Australia to the same extent as it does the United Kingdom and France, where planes are passing to and fro daily and many times a day, the flight of Sir Ross Smith and his companions, and, later, of Lieutenants Parer and McIntosh, demonstrated that Australia is within the scope of international flying; and, with the greater developments which one is bound to anticipate, it is quite possible that before many years regular air services will have been established between Australia and the other countries of the world. There is complete justification, therefore, for the introduction of this Bill. We can

scarcely pick up a newspaper in which there is not reference to some incident concerning aviation in Australia, revealing a danger owing to the lack of regulation of air traffic. Aerodromes are established and landing grounds are marked out; but, apart from the ordinary police power resting in the various States, there is no authority to prevent people from getting in the way of aeroplanes. There is nothing to prevent a machine from landing amongst, or in the vicinity of, a crowd. I read some time ago of a case where a throng numbering several thousands had assembled in a provincial town where an aviator was giving a display for purely advertising purposes. He deliberately flew close over the heads of the people, and eventually there was an accident. His machine crashed and crippled two of the spectators. There is no authority in Australia at present vested with power of control and intervention. That lack should be remedied at the earliest possible moment. There are young enthusiasts in the Commonwealth of an adventurous turn of mind; the development of aviation has naturally turned their attention to that field of endeavour. Here, however, there is a prolific source of danger. For example, some six months ago a young fellow communicated with the Defence Department asking for information and for certain supplies to assist him in completing the manufacture of an aeroplane which he and a comrade were constructing. One of our officers was despatched to examine the machine. It was the intention of the young inventor to fly it during the following week. He was not deterred by the fact that he had never been up in an aeroplane before. As a matter of fact, his contrivance was an absolute menace. It is possible that he may have got up into the air with it, but it is practically certain that he would have speedily returned to earth and killed himself, as well as, possibly, others who were witnessing his demonstration. To-day there is nobody authorized, and no power existing, to prevent that kind of thing. I might add that this young man remarked to the officer that it was his intention, after a trial flight or two, to carry passengers.

It may be argued that there is an objection to this Bill in that it does not enact directly, but simply gives power for

Senator Pearce.

the making of regulations. The Government intend, with experience, and under proper advice, to consider at a later stage, the drafting of a more comprehensive Bill; and in that ultimate measure there will be included many provisions covered by the regulations. That is why power is here sought to adopt the British regulations. I need scarcely remind honorable senators that all regulations must be laid on the table of the Parliament in the ordinary way, and that any of them may be objected to.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 to 3 agreed to.

Clause 4 (Power to give effect to Convention).

Senator R. STORRIE GUTHRIE (South Australia) [11.25].—I wish to know if the provisions of the Convention have been laid on the table of the Senate. If not, are they available to honorable senators for perusal?

Senator PEARCE.—Yes, they have been circulated to all honorable senators.

Senator ROWELL (South Australia) [11.26].—Will the regulations provide for the registration of private aeroplanes? If so, is it proposed that there shall be a fee charged? And, further, if there is to be such a charge, will the revenue go to the respective States in which the machines have been registered?

Senator PEARCE (Western Australia—Minister for Defence) [11.27].—There will, undoubtedly, be provision for registration, and I assume that there will be a fee charged, just as in the case of the registration of motor cars. I do not think, however, that the money will go to the various States. Seeing that the Commonwealth is to bear the expense of the administration of its Act, I take it that any revenue will be Commonwealth revenue.

Senator DE LARGIE.—Will the regulations extend to the control of airships as well as aeroplanes?

Senator PEARCE.—The term employed in the provisions of the Convention is "aircraft," which includes every kind of craft which travels through the air.

Clause agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

Standing and Sessional Orders suspended.

Motion (by Senator PEARCE) proposed—

That this Bill be now read a third time.

Senator KEATING (Tasmania) [11.29].—Has the subject of air navigation been dealt with by the Commonwealth and State authorities, and is there any likelihood of conflict arising between them regarding control of air-flight over an individual State?

Senator PEARCE (Western Australia—Minister for Defence) [11.30].—I have explained that the question was brought forward at a recent Premiers' Conference, at which a resolution was agreed to pledging the States to consent to Commonwealth control, subject to certain reservations, one of which is that it should not interfere with the right of any State to own aviation machines. Subsequently New South Wales was delegated to draft an enabling Bill, which has been submitted to and accepted by the Commonwealth, and the States have now undertaken to pass this legislation at the earliest possible moment. This Bill provides that the Act may be brought into effect by proclamation when any State passes the necessary enabling Bill.

Question resolved in the affirmative.

Bill read a third time.

CUSTOMS BILL.

SECOND READING.

Debate resumed from 4th November (*vide* page 6163), on motion by Senator RUSSELL—

That this Bill be now read a second time.

Senator DRAKE-BROCKMAN (Western Australia) [11.32].—When I asked leave yesterday to continue my remarks on this Bill, I was under the impression that the verdict of the High Court in *Stewart v. Robinson* would be delivered this morning. Immediately the Senate rose yesterday I made inquiries, with a view to getting the earliest possible information as to the terms of the judgment, but ascertained that it will not be delivered until the Court meets in Sydney, which, I understand, will be some time next week. Consequently we are no further advanced to-day than we were yesterday, and I hesitate to go on when, at the very best, consideration of the Bill can only be based on uncertain premises.

Yesterday I ventured the opinion, which I still hold, that the Minister for Customs (Mr. Greene) is wrong in his interpretation of the law with regard to Customs duties.

Senator KEATING.—That is, the present law.

Senator DRAKE-BROCKMAN.—Yes. Since I understand that there is no immediate urgency for the passing of this measure, and that it is doubtful if amending legislation will be required, and in view of the fact that the Senate will be meeting the week after next, I again ask leave to continue my remarks.

Senator RUSSELL.—No.

Senator DRAKE-BROCKMAN.—I regret that the Minister has not assented to my request. The position now is that we, as a Senate, are compelled to give consideration to a Bill on very meagre information. The matter is being contested in the High Court, and we ought to have the judgment of that Court before us when we are considering an alteration of the existing law. At all events, we should know what is the law before we attempt to alter it.

Senator KEATING.—It is ten to one that the High Court will say that it does not need altering.

Senator DRAKE-BROCKMAN.—That is my contention. I listened to the arguments in the case before the High Court, and have come to the conclusion that the Court will decide that there is no occasion for any alteration of the law as indicated in this Bill. I have no doubt that the High Court will say that the interpretation of the law by the Minister for Customs is wrong, and that consequently the alteration of the law as now proposed is based on false premises.

Senator BAKHAP.—The honorable senator contends that if the existing law is deemed by the High Court to be sufficient, this Bill will be superfluous?

Senator DRAKE-BROCKMAN.—To a great extent, yes.

Senator R. STORRIE GUTHRIE.—But you are prophesying upon what the High Court will do.

Senator DRAKE-BROCKMAN.—I want to be certain what is the existing law. At present I am in the unfortunate position that I have continued the debate, and if I resume my seat I shall not be able to make any further comment upon

the Bill except in Committee. I understand the attitude of the Government to be that Australia has deliberately adopted the policy of Protection with certain preferences to Great Britain, and has determined that France and Italy, our principal Allies in the late war, and particularly France, shall at least have the very best trading advantages with Australia. This Bill is an attempt on the part of the Government to give effect to that policy, the principles of which, according to the interpretation of the law by the Minister, are not effective. I very much regret that, in view of the fact that we are debating a matter concerning which we are unable to get at the real facts, I am not in a position to deal exhaustively with this subject upon which I have a lot of information.

Senator R. STORRIE GUTHRIE.—But surely, as a Parliament, we can decide this matter independently of the High Court decision?

Senator DRAKE-BROCKMAN.—Precisely. Of course we are superior to the High Court. We enact legislation, and the High Court interprets it. We have, on our statute-books already certain legislation which has been interpreted by the Minister for Customs in one way, but, which, I think, the High Court will interpret in another way, and we are being asked to alter it on the assumption that the interpretation by the Minister for Customs is the correct one. If the matter were not being contested in the High Court, well and good. But it is being contested, and we do not know what the law is. We have only to wait another week for the decision of the High Court. In view of these circumstances I urge the Government to postpone consideration of the Bill, and shall reserve whatever additional remarks I have to make for the Committee stages.

The PRESIDENT (Senator the Hon. T. Givens).—It is open to the honorable senator to again request leave to continue his remarks.

Senator PEARCE.—We cannot consent to that.

Senator DRAKE-BROCKMAN.—As the Government refuse to meet me in the matter I shall conclude by protesting against the procedure adopted.

Senator PEARCE (Western Australia—Minister for Defence) [11.40].—Obviously a request for the adjournment of a debate is one that must appeal to the Government, coming as it does from their supporters; but I think that in view of the present state of the business-paper, and the length of the session, good and sufficient reasons ought to be advanced when an adjournment is asked for. Senator Drake-Brockman's reasons do not appeal to the Government. They seem to be beside the question altogether. What are the facts? They are these: Exchange throughout the world is in a condition of chaos. The Minister for Customs (Mr. Greene) has, I understand, interpreted the Customs law in consonance with the interpretation that has always been placed upon it in regard to this question of exchange; and his interpretation has brought about a very different state of affairs from that which existed previously. Certain importers have challenged the Minister's interpretation, and this question is now before the High Court. Those who represent the trade interests of France, where the exchange is about 57 francs to the £1 sterling compared with about 35 francs when I left the United Kingdom in September, 1919, have represented to the Minister that France is being penalized, and their trade practically destroyed. On the other hand countries like the United States, and to a lesser extent Japan, where the balance of exchange is the other way about, are benefiting to such an enormous extent as to destroy, practically, the preference given in our Tariff to the United Kingdom.

Senator DRAKE-BROCKMAN.—That has been brought about by the interpretation of the present law by the Minister for Customs.

Senator PEARCE.—The Government want to be able to deal fairly by France, and at the same time to retain the Tariff preference for the United Kingdom, which this country has deliberately provided for. We want also to maintain the incidence of protection in our Tariff against the United States and Japan, and other countries. The Minister with his advisers, after giving careful consideration to this subject has devised the well-thought-out scheme set out in the Bill.

Those who make the representations are satisfied that, if the scheme is administered in the spirit in which it has been introduced, it will have the effect which Parliament desired.

Senator BAKHAP.—Will this scheme be necessary if the decision of the High Court is as anticipated by Senator Drake-Brockman?

Senator PEARCE.—It will still be necessary under any system. No matter what system is adopted, if it is arbitrary, and cannot take note of the fluctuations and disturbances that are occurring from week to week in the exchange market, it will work harm to somebody and to some set of principles. The crux of the whole position is an adaptable and rapidly adjustable system of interpretation to meet the chaotic exchange market. The Bill constitutes the Board of Trade, which is comprised of men who have a knowledge of the exchange and trade questions, as the advisers of the Minister in that respect. The only limitation on them is that they have to uphold the two principles laid down in the Tariff.

Senator BAKHAP.—Will this scheme stabilize the administration if there is any recurring chaotic exchange situation like the present?

Senator PEARCE.—It will. That is why it is adjustable from time to time. It will uphold the two principles of the Tariff—first, protection of Australian industries, and, secondly, preference to the United Kingdom as against all other countries. It will at the same time put other countries on an equality, and will not penalize them because of the fluctuations of exchange in their trade against countries which, like the United States of America, are in an advantageous position. In what way is that affected by any case before the Court? Even if the Court declares that the Minister's interpretation of the Customs Act is not right, it will still be found that we cannot frame a law containing the express conditions which will meet every one of these fluctuating and chaotic circumstances that we see to-day in the exchange and trade market.

Senator CRAWFORD.—Does not this Bill make the Board of Trade, instead of the Minister, the interpreter of the law?

Senator PEARCE.—No. It enables adjustments to be made, and varying decisions to be given to meet varying sets

of circumstances. No one interpretation and no one rule can meet them all.

Senator CRAWFORD.—Has not the Minister that authority now?

Senator PEARCE.—No; he has to give an interpretation which applies equally to all. He says, "These goods are to be valued on a certain principle," and that decision applies to all goods coming into Australia.

Senator BAKHAP.—No matter from what country they come?

Senator PEARCE.—That is so. The provisions of the Bill will enable the Board of Trade to recommend to the Minister procedures which will meet the varying exchange conditions. No matter what the judgment of the High Court may be, we ought to have that power, and while this chaotic condition of exchange and trade obtains, this Bill is desirable. From that point of view the Government do not see that any good purpose can be served by adjourning the debate. We ask the Senate to pass the Bill to enable relief to be given to a country like France, which is being penalized by the existing conditions, and to restore to the United Kingdom that preference in trade which to-day has been taken away from it, and given to the United States of America.

Motion (by Senator KEATING) proposed—

That the debate be now adjourned.

The Senate divided.

Question put.

Ayes	8
Noes	10

Majority	2
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AYES.

Crawford, T. W.	Payne, H. J. M.
Drake-Brockman, E. A.	Wilson, R. V.
Glasgow, Sir Thomas	
Guthrie, J. F.	Teller:
Keating, J. H.	Benny, B.

NOES.

Bakhap, T. J. K.	Plain, W.
Buzacott, R.	Rowell, J.
Earle, J.	Russell, E. J.
Guthrie, R. Storrie	
Newland, J.	Teller:
Pearce, G. F.	de Largie, H.

Question so resolved in the negative.

Motion negatived.

Senator KEATING (Tasmania) [11.54].—I very much regret that the Government did not see their way to postpone the further discussion of the measure. The reasons of urgency for the measure which have been put forward by Senator Pearce have been in existence in all their force since the early part of this year. Honorable senators, honorable members of another place, and members of the public have not ceased to impress upon the Minister for Trade and Customs (Mr. Greene) the necessity for a revision of his decision in relation to the matters dealt with in this Bill. Throughout the months that have intervened since the early part of this year, the Government have shown no disposition whatever to hurry remedial legislation or administration.

Senator PEARCE.—You surely recognise that it is an intricate matter, which could not be decided hurriedly?

Senator KEATING.—I propose to speak later of its intricacy and involved character. For months past I have been giving a good deal of consideration to representations made to me from the different States on this question, and, like Senator Drake-Brockman, I have a great deal of material on the subject. The hours allotted to the sitting of the Senate to-day would not suffice me if I were to deal adequately with the representations made to me, and to which I have given special attention.

The Bill as it stands at present is double-barrelled. It provides, first of all, for an adjustment of the rate of exchange between Australia and foreign countries with which Australian merchants may be doing business. Secondly, it provides for a Board that will take into consideration, in certain events, the question of whether the bank or commercial rate of exchange or the mint par rate of exchange should prevail. In taking these matters into consideration, the Board has also to consider the established Protectionist policy of the Commonwealth, and the established policy of preference to Great Britain. The Minister for Defence (Senator Pearce) said that, apart altogether from what the decision of the High Court may be in the case of *Stewart v. Robinson* now before it, the establishment of a Board of that character, charged with those functions, can very well be dealt with by

Parliament at this stage. I am in accord with that statement, but only to this extent: What Board is to be charged with this responsibility? We are told that it is the Board of Trade. Criticism has been levelled at such a decision elsewhere on the ground that, statutorily, there is no such body in Australia as a Board of Trade. But is the Board of Trade prepared to function in this matter if this Bill is passed this week? I venture to say that it is not. Whether the Bill is passed this week or this month I believe the Board of Trade will not get to functioning under it any more rapidly.

Senator RUSSELL.—Why?

Senator KEATING.—Because I do not think it will be prepared to do so.

Senator BAKHAP.—Its other duties are not so heavy as to preclude it from attending to this question.

Senator KEATING.—I know very little about the Board of Trade, and the honorable senator knows about as much.

Senator RUSSELL.—The Board of Trade has been on this question, not for weeks, but for months.

Senator KEATING.—Has it the procedure ready to deal with the Bill?

Senator RUSSELL.—Yes. All ready when the Bill comes into operation.

Senator KEATING.—I have referred to the question of the inclusion in this Bill—for the first time in any Statute—of a body known as the Board of Trade. The Government might well have waited for the determination of the law in this matter. One thing I take exception to is this: In the first place, the Bill purports to amend the existing law, and in doing so it assumes that the view of the law that has been taken by the Minister for Trade and Customs is the existing law. I venture to think that it is not. I do not say that from anything I have gathered recently. Early in this year I gave my own opinion legally that the Minister for Trade and Customs was wrong, and I have seen nothing since to alter my conclusion that the Minister's interpretation of the law is not sound. If the Senate adopts this Bill as it stands, it impliedly assumes that the law hitherto has been as the Minister for Trade and Customs has viewed and administered it. I, for one, if this measure passes, dissociate myself entirely and distinctly from any such attitude. We are asked by this

measure to affirm, as a Senate, that the law is as the Minister for Trade and Customs has viewed and administered it. If the decision of the High Court is adverse to the Government in the pending case of *Stewart v. Robinson*, it is quite possible that the Minister for Trade and Customs and the Government will have to review their position very seriously, because I understand that thousands of pounds have been paid into the Customs under protest against the view that the Minister for Trade and Customs has sought to impose, and hitherto has succeeded in imposing, upon the commercial community. What will be the position if £1,000,000 has been overpaid in that respect? How much has been lost to the Commonwealth by the view taken by the Minister in respect of importations from the United States of America and Japan? The Customs operations will about balance, but the individual consumer who has purchased goods, which, for the purposes of duty, have been valued at double and treble their value, cannot get any redress whatever. As far as the Government is concerned it is quite possible that, if the decision is adverse, Parliament will be invited to adopt some other legislative means to redress the grievances of the past, as they affect either the merchants or the Customs Department. I think that this question should be thoroughly investigated in all its bearings, and now that we have the Bill before us it is wrong for the Government to object to an adjournment. What advantage will be gained by pushing it through? What is the immediate urgency for expediting its passage when the necessity has existed since February last?

Senator PEARCE.—To redress grievances.

Senator KEATING.—Surely we can wait until the High Court gives its decision.

Senator PEARCE.—If this is an effective means of redressing grievances, why not put it into force?

Senator KEATING.—If the High Court gives an adverse decision in Sydney early next week, the Minister will have to administer the law differently from what he has been doing. Any one who was present during the discussion of the case before the High Court has a fair idea of what the judgment of that

tribunal will be, and the Chief Justice announced from the Bench that he thought they would be able to give a decision before they left for Sydney, although they might not wait to prepare reasons. There is only one conclusion that can be arrived at, and it was obvious to the minds of all present what that conclusion would be. We should not be called upon to go through a form purporting to amend a law which is not a law, so to speak, and which exists only in the interpretation of the Minister for Trade and Customs. Apart from the provisions of the Bill, with this decision pending, we might well allow the matter to stand over for a week or so. When the measure was under discussion yesterday, Senator Drake-Brockman asked that the discussion should be allowed to stand over until the High Court should deliver its judgment, probably to-day, in the case of *Stewart v. Robinson*. There was not any objection to an adjournment being granted, and if the delay was justified on that occasion, it is justified now.

Senator PEARCE.—The honorable senator also asked for more time to prepare his matter.

Senator KEATING.—Senator Drake-Brockman was justified in expecting that that decision would be given to-day.

Senator BAKHAP.—If the High Court gives its decision on the lines indicated by Senator Drake-Brockman, no such machinery will be necessary?

Senator KEATING.—The situation as far as exchange is concerned will be settled, but there will be no decision affecting dumping and our trade relations with those countries suffering from a depreciated currency.

Senator RUSSELL.—What is the position concerning the importation of carbide in the honorable senator's own State?

Senator KEATING.—I do not know how the currency in the country of its origin has been affected. Does the Vice-President of the Executive Council know?

Senator RUSSELL.—Carbide comes from Norway, where the currency has enormously depreciated.

Senator KEATING.—Does the Minister know what the rate of exchange is? This method of hitching the question of dumping on to that of exchange is mere camouflage. The Department has begun to recognise the pressure of public and professional opinion

concerning its policy, and its legality, as demonstrating that it is not a correct one, and I think these two matters have been brought together and the rectification of exchange is being camouflaged.

I have prepared a great deal of matter upon this subject, but I did not contemplate, after the discussion yesterday, that further consideration of the Bill would come on before the decision of the High Court was given; and, from my own view, realizing the limited issue of that case, I considered there was a good deal that I had prepared that would be of no use whatever. I think it would have materially shortened the discussion upon this question if we had known definitely how the law stood. The matter of vesting the Board of Trade with authority to regulate or adjust exchanges, to uphold Protection, to give preference to Great Britain, and to prevent dumping are questions upon which there would be little debate at all. I think the established policy of the Commonwealth is such that provisions relating to those matters would commend themselves to honorable senators, even though the provision we may be making may be only small, because by means of other legislation we could achieve our object. If the question of exchange is dealt with, and we know exactly what our legal position is, and what it has been in the past, in the light of the interpretation of the High Court, I think we could, on the resumption of the debate, considerably narrow the scope, and discuss the Bill, in conjunction with the existing legislation, in such a way as to turn out a thoroughly effective and useful measure.

Senator BAKHAP (Tasmania) [12.7].

—The question of foreign exchange is so intricate, that any person who is not directly in touch with banking cannot be expected to give anything like a satisfactory definition of the present position. I have had some practical experience of the result in regard to exchange as between Eastern countries and Australia, and the only doubt I have in my mind concerning the Bill itself is whether the Commonwealth Board of Trade is the proper authority to make recommendations in connexion with this matter. I do not know what the Commonwealth Board of Trade has to do ordinarily, but I can

make a very good guess. I do not think it is overwhelmed with work, and, therefore, in all probability it will be able to give immediate attention to this matter as soon as the Bill is passed. My impression is that the question is one with which bankers should deal, and that some banking authority ought to be associated with the Board of Trade in making recommendations. There are two definitions in the Bill—one in regard to mint par rate of exchange, and the other in regard to the bank rate of exchange—and I will defy anybody who has not had considerable practical knowledge of banking to understand these definitions, or to illustrate how they actually work out. I will give honorable senators an illustration of the intricacies in connexion with exchange rates. Those who are operating in the East inform us that the rate of exchange is very much against this country in connexion with importations from the Orient. Before the war, the Hong Kong dollar was worth 2s., and, consequently, the sovereign remitted to the East represented at least 10 dollars' worth of goods; but now, in consequence of the fluctuations in exchange, it represents a reduced number of dollars, and consequently an Oriental merchant, sending money to his own country, finds himself in great difficulty because of the fact that the value of the dollar has risen. I will give an illustration as between the East and Australia, and show how, in some instances, it may operate to our tremendous advantage. As an act of courtesy to some of my Chinese friends, I agreed to subscribe a few hundred dollars towards the first Chinese Republican loan, and I gave, as an equivalent for 100 dollars, less than 8 sovereigns. Some of those bonds have been redeemed, and I had the experience some time ago of receiving nearly 20 sovereigns, or their equivalent, because a bond, for which I paid £8, had matured.

Senator EARLE.—That was an excellent investment.

Senator BAKHAP.—It was, as, instead of drawing only 6 per cent. interest, I received 12 per cent. and approximately the equivalent of twenty sovereigns for an £8 bond. When the bond was redeemed I had my capital more than doubled, so that in that instance the rate of exchange, although unsatis-

factory in commercial transactions, was particularly advantageous to me. Australian investors in such bonds have received double their capital because of the exchange rate, which operates at present detrimentally in commercial transactions, but favorably in such an instance as that I have mentioned. It is an intricate question, and it is useless to assume that it is one that is easy to understand. It is a problem that should be handled by bankers of the greatest ability and those well versed in commercial transactions in all their ramifications. The only suspicion I have in regard to the measure being unsatisfactory is that no provision is made for the Board of Trade to have associated with it, in making recommendations to the Government, the highest banking authorities in the Commonwealth. I can quite understand the Minister's contention, and I believe there is a good deal of reason in it—and that is why I opposed an adjournment of the debate—that the measure will be necessary, no matter what the decision of the High Court may be. If that is so, the Government is doing only what is right in asking the Senate to pass it. My only doubt is concerning the ability of the Board of Trade to satisfactorily and effectively deal with such an intricate problem and be able to make recommendations to the Minister without having associated with it some of the bankers of repute in our community. After all, the matter is one that requires the attention of men with considerable banking ability.

Senator RUSSELL.—The object of the Board is to get into touch with those vitally concerned. It will have the powers of a Royal Commission.

Senator BAKHAP.—The Minister will understand that, in matters of this kind, prompt action will have to be taken, seeing that foreign exchange is in a state of flux and chameleon-like in character.

Senator RUSSELL.—Over 99 per cent. of 250 propositions submitted to the Board of Trade have been effectively dealt with.

Senator BAKHAP.—That is highly satisfactory in view of the unobtrusive way in which it is doing its work. It has not forced upon the public the excellence of its work in the way of advertisements.

Senator RUSSELL.—Because it acts in an advisory capacity to the Cabinet.

Senator BAKHAP. — I am very pleased to hear that the results of its advice have been of such a salutary character. If Ministers have had experience of its work in that satisfactory way, I can understand their desire to secure the services of the Board of Trade in the solution of a question such as that which is involved in this measure. However, I do hope that this matter will not be dealt with off-handedly by anybody without consultation with the highest banking authorities in the Commonwealth.

Senator WILSON (South Australia) [12.16].—I attended here to-day fully expecting that those honorable senators who have given personal attention to this Bill would give us the benefit of their views upon it. Senator Drake-Brockman asked for the adjournment of the debate yesterday after having heard addresses delivered in the High Court upon the case which is pending there, and after having devoted close attention to this measure. To-day Senator Keating dealt very fully with the whole position. To me, as a layman, it is extremely difficult to discuss a Bill of this character in detail, especially when I am required to follow two such legal luminaries. Nevertheless, honorable senators have the obligation cast upon them to record an intelligent vote upon the measure. I very much regret that the Government have resolved to push the Bill through to-day. I have a great deal of matter which has been forwarded to me—

Senator RUSSELL.—Suppose that an appeal were made to the Privy Council, ought we still to wait?

Senator WILSON. — Circumstances alter cases. The conditions which existed yesterday exist to-day. The Government had an opportunity to bring this measure forward earlier, and I have no hesitation in saying that we are entitled to the fullest information before we are asked to vote upon it. Upon the facts which have been submitted to the Senate to-day, and the speeches which have been delivered here, it is my duty to vote against proceeding with the Bill.

Senator PEARCE. — Although Senator Keating said that a Board of Trade is necessary?

Senator WILSON.—I may have misunderstood what Senator Keating said;

but I scarcely think so. In view of the magnitude of the issues which are involved in the Bill, I ask leave to continue my remarks.

The **PRESIDENT (Senator the Hon. T. Givens)**.—Is it the pleasure of the Senate that the honorable senator be granted leave to continue his remarks upon a future occasion?

Senator **PEARCE**.—I object.

The **PRESIDENT**.—Leave must be granted unanimously, and, consequently, the honorable senator must continue his speech.

Senator **WILSON**.—I am not in the habit of addressing the Chamber upon a subject to which I have not given detailed attention, and which I can scarcely be expected to understand. I protest against honorable senators being asked to record a vote upon a matter which two-thirds of them do not understand in detail.

Senator **PEARCE**.—This Bill has been before Parliament for three weeks.

Senator **WILSON**.—But there have been reasons why its introduction into this Chamber has been delayed. The Minister for Defence (Senator Pearce) is thoroughly conversant with those reasons. I protest against putting the measure through until we are in a position to give it close and detailed attention.

Senator **EARLE (Tasmania)** [12.20].—The speech of the honorable senator who has just resumed his seat compels me to make one or two remarks. It is a very old saying that suspicion is the tribute which ignorance pays to the unknown. If we do not understand a thing, we are very prone to be suspicious of it. According to Senator Wilson, those of us who are not absolutely familiar with the details of this measure should certainly insist upon the adjournment of its consideration until somebody has become familiar with those details and is able to give us the result of his investigations.

Senator **BAKHAP**.—The question beats the bankers themselves.

Senator **EARLE**.—From its inception I regarded this Bill as a very important one, and consequently I sought the advice of many men who ought to know what is necessary in the legislative provisions governing the rates of exchange between different countries. The advice

which I have received from these experts is that the measure is quite satisfactory, and that it goes as far as it is humanly possible to go at the present time. Acting upon that advice, I was quite prepared to retain my seat, and to cast a silent vote for the Bill unless some strong objections were urged to it. I heard the speech delivered by the Minister for Trade and Customs (Mr. Greene) in moving its second reading in another place, and I listened to others who styled themselves critics of it; and, from the debate which then took place, as well as from private information, I concluded that the measure is quite all right. Because honorable senators do not make themselves familiar with the Bill, it is altogether unfair to the Government to insist upon its consideration being adjourned.

Senator **WILSON**.—It is the duty of the Government to adjourn consideration of the measure until we understand it.

Senator **EARLE**.—Then it was the honorable senator's duty to be familiar with the Bill to-day.

Senator **WILSON**.—What about yourself?

Senator **EARLE**.—The Bill has been before Parliament for three or four weeks. Does the honorable senator suggest that he does not consider measures which go before the other Branch of the Legislature? Of course he does, and he prepares himself for the discussion of them which will take place here.

Senator **PEARCE**.—When a Bill is introduced in another Chamber, a copy of it is sent to every honorable senator.

Senator **EARLE**.—Exactly. Immediately I received a copy of this measure I sought expert advice upon it.

Senator **WILSON**.—The decision of the High Court will not affect the honorable senator's opinion of it?

Senator **EARLE**.—The Vice-President of the Executive Council (Senator Russell) has explained that it does not matter what may be the decision of the High Court; an arrangement will have to be made to enable us to deal equitably with the matter of exchange rates as between the Commonwealth and all countries doing business with it. Senator Wilson does not contradict that statement. It was admitted by

Senator Keating that such a law would have to be enacted; no matter what might be the decision of the High Court. That being so, why does Senator Wilson accuse other honorable senators who are prepared to cast a silent vote upon the measure with having failed to consider it? I am convinced that the Bill is all right.

Senator J. F. GUTHRIE.—What is the opinion of the Associated Chamber of Commerce?

Senator EARLE.—That body, so far as I know, has not expressed any opinion upon the Bill.

Senator RUSSELL.—It offered, in a resolution, to co-operate with the Board of Trade in every way.

Senator EARLE.—That is the answer to the honorable senator's question. If it is imperative that such a Bill shall become law, why should we defer its passing indefinitely?

Senator WILSON.—We do not wish to defer action indefinitely.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [12.27].—There has been a good deal of trouble this morning in connexion with this Bill, but I do not blame honorable senators for not being familiar with its provisions. Its object is to create machinery for the carrying out of certain work, which will principally be in the nature of inquiry. Senator Drake-Brockman has asserted that the Customs Tariff is based upon uncertain duties. The position is the very reverse. The facts are that prior to the 24th May, 1918, valuation of goods for Customs duty was based upon what was then known as the mint par rate of exchange. Of course, when gold possessed its normal value, things were all right. But as I remarked yesterday, things are not what they seem, as we shall speedily realize if we institute a comparison between the value of the sovereign to-day and its value only a few years ago.

Senator BAKHAP.—The sovereign is worth 30s. to-day in certain countries, whilst in other countries it is not worth 15s.

Senator RUSSELL.—Exactly. In May, 1918, in valuing goods for Customs duty, the current bank rate of exchange was substituted for the mint par rate of exchange. But owing to continual fluctuations in the bank rate, it was found

impracticable to continue that system, with the result that on the 15th August, 1918, a reversion was made to the system which had existed since the establishment of the Commonwealth. The Minister's interpretation of the system upon which the valuation of goods for Customs purposes should be calculated, was given only when the impracticability of calculating their value upon the bank rate of exchange had been demonstrated. It has been said that the Minister's interpretation was a wrong one, and upon that matter we shall presently have a High Court decision. Senator Keating stated in the course of his remarks this morning that there is no hurry for the passing of this Bill, because the Government have already delayed its introduction so long. May I point out that the Government have been inquiring into the matter, and that the whole of the machinery necessary for the operation of the Board of Trade is now in readiness. The moment this Bill passes Ministers will not only confer with, but will accept the advice of, bankers and merchants, and, indeed, of anybody else who may be willing to assist them. The powers proposed to be vested in the Board of Trade are those which are vested in a Royal Commission.

Senator DRAKE-BROCKMAN.—The Board of Trade will not be a statutory body; it could consist of Mr. Massy Greene and his office boy.

Senator RUSSELL.—It is constituted of a representative of the Associated Chambers of Commerce, namely, Mr. Elder; of a representative of the Chambers of Manufactures, in the person of Mr. Herbert Brookes; of two Ministers, namely, the Minister for Trade and Customs (Mr. Greene) and myself; a representative of the primary producers; and two other gentlemen beside.

Senator J. F. GUTHRIE.—Are there any bankers?

Senator RUSSELL.—No, this is a trading matter. We have in our Departments accountants available for consultation who are quite as competent to give advice and opinion upon any point of finance as a banking authority. Everybody, of course, knows, in a general way, what is the condition of the exchange question; but we require specific information which can only be obtained from the people most closely interested. There is a lack of solid information upon which to

base our decisions; and, by the examination of importers and exporters—business men, actually concerned—we can secure what is required. Senator Keating has not realized, apparently, what has actually been going on in Australia. In 1917-1918 we imported from Norway 884 cwt. of carbide. An industry concerned in the production of carbide was started in Tasmania, and it received every encouragement and protection which the Government could afford. Owing to the operation of low exchange, very considerably favouring Norway, there was imported in 1919-1920 55,568 cwt. of carbide. The drop in exchange rates was utilized in such a way as effectively to defeat the measure of protection which had been given to the infant carbide industry in Australia. The Tasmanian works had to be closed down.

Senator KEATING.—Does the Minister say that that was due to the exchange being adverse to Norway?

Senator RUSSELL.—No, but owing to its being advantageous. The mint par rate in respect of Norway to-day is 18.159; the current bank rate is 24.85.

Senator KEATING.—But that would not be a factor in the dumping.

Senator RUSSELL.—If not, then the fullest inquiry is necessary, because the Tasmanian works have had to be closed down. Prior to the war we imported most of our carbide from Norway. Owing to lack of shipping that country ceased to be an exporter to Australia. Japan came in, and the proportion of the importation of this commodity from Japan went up from about 15 per cent. to nearly 100 per cent. during the war. Such a condition of affairs is sufficient to break up and prevent the re-establishment of the industry here. Our duty is to inquire into the circumstances operating to the detriment of Australian industries, and to those of the Empire as well. The Board of Trade does not claim perfection, but it has been operating for a long while and has done some valuable work—more valuable, indeed, than has been generally recognised. It has had no statutory powers but has been acting in an advisory capacity; and its recommendations have been almost unanimously accepted by Cabinet and indorsed by Parliament. It has a wonderful record over a most difficult and complicated period.

Senator Keating, after remarking that the Government had already delayed matters long enough, suggested still further delay. That involves a peculiar argument. It is possible that an appeal may be lodged against the decision of the High Court, when it is announced, and finality may not be reached for six or nine months.

Senator KEATING.—That might have been said yesterday with as much force as to-day.

Senator RUSSELL.—And one might inquire, if it is logical to postpone consideration still further, why not for ever?

I have been asked to indicate how long the Board of Trade is likely to take in getting its necessary working machinery going. The Board is an honorary one, but it has been very active and enthusiastic. As soon as this Bill was introduced I called the members together, in the capacity of Chairman; and, to-day, the whole of the machinery is ready to be set in operation. We, at any rate, have not delayed. There are special reasons for urgency in order that the Board may get to work at once.

Senator KEATING.—This Bill would never have been introduced if a case had not been taken up against the Commonwealth. This measure was introduced to Parliament at the point of the bayonet.

Senator RUSSELL.—Not at all. The question has been prominently before the public for months past.

Senator KEATING.—But the Government did nothing until some one took action in the High Court.

Senator RUSSELL.—Even if that were so, now that we are endeavouring to do something we are being asked to accede to delay after delay. It is demanding something more than a courtesy when an effort is made to take the business of the Senate out of the hands of the Government. This Bill is the outcome of conferences between responsible Ministers and persons vitally interested. I take it that representatives of banking interests will be among the principal witnesses called before the Board; and, in that direction, their services will be of more value than if there were actual representatives of the banks upon the Board. As for the statement that the Chambers of Commerce and Manufacturers have not indicated their agreement with this Bill, both organizations

have carried explicit resolutions indicating their readiness to co-operate with the Board of Trade in trying to bring about a workable state of affairs. Whether the Board of Trade is the best body which could have been established in the circumstances I do not intend to argue. But the Government do not wish to create new bodies for every fresh purpose which may arise. The Bill represents, in the opinion of the Government, the most practicable scheme that could have been devised. We intend for our guidance to definitely ascertain, as far as possible, all the pertinent facts.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 to 3 agreed to.

Clause 4 (Reference to Board of decline in bank rate of exchange).

Senator PAYNE (Tasmania) [12.44].—Will the provisions of the proposed new sections embraced within this clause make it impossible in future for the United Kingdom to be penalized, or will they make it possible for the United States of America and Japan to continue to be placed, by comparison, at an advantage? Statistics to-day reveal that the Commonwealth Customs Department has lost very heavily in the aggregate, owing to the conditions which have existed hitherto. Exchange rates, in the matter of imports, have operated to such an extent against Great Britain, and the United States of America has so gained, that the 10 per cent. preference which should operate in favour of the United Kingdom has been obliterated. We have short-collected in Australia a total sum of £2,789,000, and have overpaid £884,000; so that the balance against us is considerable.

Senator RUSSELL.—Without questioning the accuracy of the honorable senator's statement, I can tell him that there are no definite figures available, and nobody really knows.

Senator PAYNE.—All I am anxious about is that the preference to Great Britain shall be assured in the future.

Senator RUSSELL.—And we are determined to preserve it. If this Bill does not give us sufficient power, we can make representations to Parliament for increased power.

Senator KEATING.—You mean that this Bill is a security; not a guarantee.

Senator RUSSELL.—I would not like to say that.

Clause agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [12.48].—I move—

That so much of the Standing and Sessional Orders be suspended as would prevent the Bill being passed through its remaining stages without delay.

I am not particularly anxious to put the Bill through, but as we have reached the final stages I do not think anything is to be gained by delaying the measure. If it is not successful in achieving the desired object, the necessary adjustments can be made in accordance with the desire of honorable senators on both sides.

Question resolved in the affirmative.

Bill read a third time.

Sitting suspended from 12.50 to 2.30 p.m.

NATIONALITY BILL.

In Committee (Consideration of House of Representatives' amendments):

House of Representatives' Amendment.—After clause 13 insert the following new clause:—"13a. For the purposes of the last two preceding sections 'certificate of naturalization' includes a certificate of naturalization issued under the Act repealed by this Act or under any State Act."

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [2.31].—Another place has made eight amendments in this Bill, but only two or three of them involve any principle. The balance are merely consequential or drafting amendments. It was necessary during the war period, owing to some of the peculiar sources from which we had to get information, to allow statutory declarations regarding the right of certain foreigners to hold naturalization certificates to be kept secret. When this Bill was being passed here, we indorsed that principle, but the Government now believe that it is unnecessary for the same secrecy to be observed. It is, therefore, provided in one of the amendments made by another place that

any charge against a man for the purpose of revoking a certificate of naturalization should be heard in open Court. What was done during war time applied particularly to old State certificates and to certificates issued under the existing Commonwealth Act. As we are now in times of peace, we think it wiser to provide that, in the case of everybody who holds an old naturalization certificate, or who obtains one in the future, should it be thought desirable to take proceedings for the revocation of naturalization, an open trial shall be given in a public Court. This is a little more generous than the existing law, and will probably work out quite satisfactorily to Australia. If it errs at all, it errs on the side of mercy, which, perhaps, after all, is not a bad thing. One amendment, which adds a proviso to clause 26, has been put in so that any person affected by a declaration made under this legislation may be entitled to examine and cross-examine the declarant publicly before such declaration is acted upon by the Minister. That will allow a full and open inquiry to protect the interest of any person or persons affected. During war time the absence of power to revoke or withdraw a naturalization certificate without considerable trouble was a very serious handicap to the Government in the case of numbers of men who should have been sent out of the country owing to their rank disloyalty. They could not be deported, because they held certificates issued under the old States' naturalization laws, and as we could not cancel their certificates many of them remained in Australia for long periods, although they ought to have been sent back to Germany long before. It is provided that all who hold naturalization certificates which are deemed to be good under the law should have exactly the same opportunity of appealing for an open trial before they are disqualified. That is quite a sound principle to establish. We do not desire to use this measure for war purposes; but if we are ever involved in war again it will still be possible to extend our legislation to meet any difficulties arising out of war conditions. The amendments all tend to improve the Bill, and if they err at all err on the side of mercy. We ought, I think, to take a little broader

view now than we did during the troublous period of the war. The Government, after full consideration, are willing to accept all the amendments. In fact, most of them were suggested by the Government, to meet the altered conditions of peace. I move—

That the amendment be agreed to.

Motion agreed to.

Amendment in clause 25 agreed to.

Clause 26—

Any declaration made under this Act or under any Act hereby repealed may be proved in any legal proceeding by the production of the original declaration, or of any copy thereof certified to be a true copy by the Governor-General, or by any person authorized by him in that behalf, and the production of the declaration or copy shall be evidence of the person therein named as declarant having made the declaration at the date therein mentioned.

House of Representatives' Amendment.—At the end of clause add "Provided that the person affected by such declaration will be entitled to publicly examine and cross-examine the declarant before such declaration is acted upon by the Minister."

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [2.39].—I move—

That the amendment be agreed to with the following amendments:—(a) The omission of the words "the person" and the insertion in their stead of the words, "if any person other than the person making the declaration is" and (b) the omission of the word "will" and the insertion in its stead of the words "he shall."

These alterations are merely designed to make our meaning clearer.

Senator PRATTEN.—I cannot quite comprehend the exact meaning of the proposal.

Senator RUSSELL.—The amendments I have moved are only technical. It is quite possible that when some person brings a charge against an alien somebody else may be dragged into the case. This provides that any person so affected shall have a perfect right to have all the facts brought out in open Court, by examining and cross-examining the man who made the declaration.

Senator WILSON.—Can he cross-examine through the medium of counsel?

Senator RUSSELL.—I presume that will be provided for by regulations made under this Bill. So far as I know, there is nothing to prevent any person affected being represented by counsel.

Senator Russell.

The principle which we are seeking to affirm is that there must be an open public trial before any man can be deprived of his naturalization. There will not be many of these cases, and, therefore, it is not necessary to establish a permanent Court to hear them. Probably, what will be done will be to provide a temporary Board to hear each case in the locality where it arises.

Motion agreed to.

Clause 33—

(1) Where the Governor-General is satisfied that it is desirable for any reason that a certificate or letters of naturalization, issued under the Act repealed by this Act or under any State Act, should be revoked or amended, he may revoke or amend the certificate or letters of naturalization.

(2) Any certificate or letters of naturalization revoked in pursuance of this section shall, upon revocation, be and be taken to have been of no effect with respect to the person who obtained the certificate or letters, and shall on demand be delivered up to the Minister, but such revocation shall not affect the nationality of any other person naturalized by virtue of the issue of that certificate or those letters.

House of Representatives' Amendment.—Omit "revoked or amended, he may revoke or," in sub-clause 1, and insert "amended, he may."

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [2.44].—I move—

That the amendment be agreed to.

Under the old Act a man's naturalization certificate could be revoked without any evidence being taken. That was, perhaps, essential for war purposes, but we now make it necessary for a properly constituted open trial to take place before anything of the sort can be done. It is also provided that the conditions of the old certificates can be amended and made uniform throughout the States, but that is quite a different thing from revoking or cancelling a naturalization certificate.

Motion agreed to.

House of Representatives' Amendment.—Omit sub-clause 2.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [2.45].—This and the three following amendments do not involve any new principle, and are merely consequential. I move—

That the amendment be agreed to.

Senator PRATTEN (New South Wales) [2.46].—I merely desire to say that, inasmuch as these amendments seem to be in the direction of altering war legislation—

Senator RUSSELL.—The last four are merely consequential.

Senator PRATTEN.—Yes, but they are being put through with such rapidity that it is somewhat difficult to follow them. Now that the war is over and we are working on a peace basis, these amendments are probably necessary. I believe that they will be the means of giving, even a foreigner, justice and the full advantages of the Commonwealth law in the matter of naturalization, and with that I am in hearty accord, because I believe that as the months go on it is obvious to us all that the war is getting a long way behind, and it is time we began to legislate on a peace basis.

Motion agreed to.

Remaining amendments agreed to.

Resolutions reported; report adopted.

PASSPORTS BILL.

In Committee (Consideration of House of Representatives' amendments):

Senator PRATTEN.—I desire to ask the Vice-President of the Executive Council (Senator Russell) whether the House of Representatives' amendments to this measure have been circulated for the information of honorable senators?

Senator RUSSELL.—I have a copy, and I understand that they have been circulated. This Bill only came to the Senate this morning, but a printed schedule of the amendments is available.

Senator WILSON.—They are just being distributed.

Senator RUSSELL.—I have not any privilege in this regard, and I have been perusing the amendments during the luncheon adjournment.

Senator WILSON.—I think honorable senators should have an opportunity of perusing them before being asked to record their votes.

Clause 3—

(1) Subject to this Act, no person who is, or appears to an officer to be, more than sixteen years of age, shall embark at any place

in the Commonwealth for a journey to any place beyond the Commonwealth unless—

- (b) his passport has been viséed or indorsed in the prescribed manner for that journey.

House of Representatives' Amendment.—After "journey" in paragraph (b) insert "and the visé or indorsement has not been cancelled."

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [2.52].—I move—

That the amendment be agreed to.

As I mentioned in connexion with the Nationality Bill, these amendments do not involve any alteration in principle, but merely omit certain words that appear somewhat harsh, and generally improve the measure. With the exception of three, they are merely consequential. It is provided that a visé or indorsement must be still in operation; it must not have been cancelled, and therefore a passport that is not up to date cannot be utilized. This amendment is necessary, because many people retain possession of passports longer than they are entitled to. In the Bill, as it originally left the Senate, a penalty of not less than £100 or not less than six months' imprisonment was provided, and, judging by my experience during the war period, that penalty was not unduly severe. Now that the war is over the Government have decided to reduce the penalty from £100 to £50, and from six months' imprisonment to three months. I think we ought to be a little more merciful, and in consequence of the decision that has been arrived at the amendments made by the House of Representatives in this connexion are necessary. A reciprocal arrangement has also been made between the Commonwealth and New Zealand, which has necessitated amendments. When the Bill passed the Senate it provided that any person going from Australia to New Zealand should obtain a passport, but as suitable arrangements have been made with that Dominion for dealing with aliens, it is not now intended that British subjects shall be required to obtain a passport when travelling between the two countries, although an alien will have to do so. An amendment in clause 6 trans-

fers the power of cancelling passports from the permanent head of the Department to the Minister. Although I do not intend to criticise the administration of this Act in the past, I think it will be generally admitted by honorable senators that it is desirable that that power should be in the hands of the Minister who is responsible to Parliament. When the head of the Department is criticised for any action he may take he is unable to be heard before Parliament, and therefore it has been thought desirable to place the power in the hands of the Minister.

Senator PRATTEN (New South Wales) [2.55].—I wish to draw the attention of the Minister (Senator Russell) to the position in which I am placed. There is not a copy of the Bill as passed by the Senate on my file, and the printed schedule of sixteen amendments was placed in my hands about two minutes before the Minister rose. I am utterly unable to see in the time what effect the amendments the Minister is asking us to agree to will have upon the Bill as it left this Chamber.

Senator RUSSELL.—I cannot help that. I have endeavoured briefly to explain the amendments, many of which are merely consequential.

Senator WILSON.—We may not agree with the amendments.

Senator PRATTEN.—Perhaps the Minister is not aware that this Bill passed the Senate before the 1st July last, when many honorable senators who are now present were not members of this Parliament, and I believe they would indorse my statement that they have no personal knowledge of the Bill as it passed this Chamber.

Senator WILSON.—I have just received it.

Senator J. F. GUTHRIE.—And so have I.

Senator PRATTEN.—Does not the Minister think it desirable to adjourn the discussion until honorable senators have had an opportunity of perusing the amendments?

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [2.57].—I had overlooked the fact that the Bill was passed by this Chamber before some of the honorable senators

who are now present were members of this Parliament. As I have already explained, eight of the amendments have been necessitated in consequence of the penalty being reduced from £100 or six months' imprisonment to £50 or three months' imprisonment, so that disposes of one-half of the number. I have also mentioned that in consequence of a reciprocal arrangement between the Commonwealth and New Zealand that passports will not be required by British subjects travelling between those countries. There are also amendments providing that no person shall be entitled to use a passport that is not a modern instrument, and that where a man obtains one by fraud or deception he shall be liable to punishment. If any honorable senator desires a fuller explanation on any particular amendment I shall be pleased to give it to the best of my ability. I realize that new senators are in a somewhat difficult position; but if I were in their place I would not feel it my duty to peruse legislation that has already been passed before coming to a decision.

Senator WILSON.—And you expect us to give an intelligent vote?

Senator RUSSELL.—It is impossible for the Government to again bring the Bill before the Senate to enable those who were not here when it was passed to consider it.

Senator DRAKE-BROCKMAN.—Is there any urgency in the matter?

Senator RUSSELL.—No; but the amendments are not important, and we cannot re-introduce the Bill merely because the *personnel* of the Senate has changed.

Senator WILSON (South Australia) [3.0].—I very much appreciate the reference of the Vice-President of the Executive Council (Senator Russell) to the new senators. But the responsibility of my vote rests upon my own shoulders, and until five minutes ago I had not even seen a copy of the Bill.

Senator RUSSELL.—A copy of the amendments, but not of the Bill.

Senator WILSON.—No. It is only within the past five minutes that a copy of the Bill has been placed in my hands. Now we are asked to vote upon amendments to it of which we know absolutely nothing. If there were any need for

urgency in this matter, I could understand the position taken up by the Vice-President of the Executive Council; but the honorable gentleman might well allow us an opportunity to become familiar with the amendments in order that we may discuss them intelligently. To expect us to vote upon a measure which was passed by the Senate before we entered it is an absurdity. At any rate, I am not prepared to adopt that course.

Senator PEARCE (Western Australia—Minister for Defence) [3.3].—I would point out to Senator Wilson that the Bill itself is not before the Committee, and cannot be brought before the Committee. The only thing which is now before us is the message from another place. No honorable senator in voting upon the amendments will commit himself to what is contained in the Bill. Honorable senators who were here during the last Parliament are responsible for the passing of the measure in its original form, and not those honorable senators who entered this chamber upon the 1st July last. The only thing which the new senators are asked to do is to assent to certain amendments which have been made by another place. The Vice-President of the Executive Council (Senator Russell) has already explained how far those amendments go.

Senator WILSON.—In his opinion.

Senator PEARCE.—It is not a question of opinion, but one of fact. There is only one principle involved in the amendments, all of which make for a liberalization of certain clauses in the Bill. If the consideration of these amendments were delayed for another month, we should still occupy a similar position to that which we occupy to-day.

Senator BENNY.—The purport of the amendments can be grasped in a few minutes.

Senator WILSON.—We are not prepared to accept the responsibility for amendments which we do not understand.

Senator PEARCE.—I think that any honorable senator, after listening to the explanation of the Vice-President of the Executive Council, can understand the purport of the amendments. Here is a simple proposition: The Bill says that if a person travels between Australia and New Zealand he must have a passport. The amendment says that he need not

have a passport. Does Senator Wilson really require a week to understand that question?

Senator WILSON.—No; to-morrow will do me.

Senator PEARCE.—The honorable senator can understand the position in five minutes, and I ask him not to exaggerate the difficulty in which he is placed.

Senator PAYNE (Tasmania) [3.5].—I was not a member of the Senate when this Bill was previously under consideration, and it is only during the past five or ten minutes that I have had an opportunity of looking through the amendments which have been made in it by another place. The Vice-President of the Executive Council (Senator Russell) was perfectly correct when he said that we have no power to deal with the principles which are embodied in the measure. We can deal only with the amendments that have been made in it. So far as I can gather from a hasty glance at them, those amendments merely make towards a liberalization of the provisions of the Bill. I shall not offer any opposition to the measure, because, as was stated by Senator Benny in an interjection a moment or two ago, one ought to be able to grasp the purport of the amendments in a few minutes.

Senator WILSON.—But he is a clever chap.

Senator PAYNE.—There is no question of cleverness involved. The principle of the Bill has not been amended in any way. The other branch of the Legislature has merely amended the penalties which the measure in its original form prescribed. I am quite prepared to support the Vice-President of the Executive Council in his desire to get the Bill through to-day. If its principles had been materially altered there would be some justification for the demand that the consideration of the amendments should be adjourned.

Senator DRAKE-BROCKMAN (Western Australia) [3.6].—I emphatically protest against the habit which has been developed by the Government of throwing Bills at us without affording us an opportunity to read and digest them. I did not come here to obey the behests of any Government—

Senator WILSON.—Or to play the game of "Follow the leader."

Senator DRAKE-BROCKMAN.—No, nor to play the game mentioned by the honorable senator. I came here to exercise such intelligence as I have been endowed with by the Almighty on behalf of the electors whom I represent. Whilst I appreciate the compliment uttered by the Vice-President of the Executive Council (Senator Russell) when he credited new senators with ability to grasp the whole tenor of the Bill at a moment's glance, it was unfortunate that the Minister for Defence (Senator Pearce) should have rather spoilt the effect of the bouquets which had been thrown at us. He was rather disposed to accuse us of being blockheads, because we were unable to comprehend the effect of the amendments at a moment's notice.

Senator PEARCE.—The honorable senator misunderstood me. I said that honorable senators could readily grasp the effect of those amendments.

Senator DRAKE-BROCKMAN.—The Government are now unanimous upon the point that the new senators are possessed of a considerable amount of ability. Although they are probably right, new senators do not possess supernatural powers which enable them by a mere glance at half-a-dozen sheets of paper upon one side to master the contents of those sheets upon the other side. I confess that I have not had an opportunity of understanding the provisions of the Bill. I do not know what will be the effect of the amendments. I am not a simple follower of the Government, who is prepared blindly to do just what they want me to do. I protest against this method of conducting the public business. We should, at least, be afforded an opportunity of adequately representing the people who sent us here, and of fairly digesting the measures with which we are asked to deal. I am not in a position to give an intelligent vote upon this Bill.

Senator RUSSELL.—The honorable senator will not be given a chance to do that.

Senator DRAKE-BROCKMAN.—In order to understand the amendments to the Bill, I must understand the Bill itself.

Senator PEARCE.—Does the honorable senator think that there ought to be an insistence on the part of New Zealand that British subjects going from Australia to that country shall be armed with passports?

Senator DRAKE-BROCKMAN.—I do not know whether such a provision is contained in the Bill or not. I am not prepared to say that I disagree with what the Minister has said, but I want an opportunity to decide whether I do or do not agree with him.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.10].—Whatever sympathy I may have with new senators, I cannot extend that sympathy to Senator Pratten, who was here when the original Bill passed through this Chamber. That measure has since been dealt with by the other branch of the Legislature, and we are now asked to say whether we approve or disapprove of the amendments which have been made in it. Only those amendments can come before the Committee; consequently long speeches upon the general principles of the measure cannot be delivered. It will, therefore, be seen that we can win distinction only by persistently rejecting the amendments, and thus precipitating a double dissolution. The amendments involve no question of principle, and consequently we cannot make intelligent amendments to them, because they would not apply.

Senator DRAKE-BROCKMAN.—Give us enough time to study the position.

Senator RUSSELL.—Any attempt to amend the amendments would result only in chaos.

Senator WILSON.—We do not wish to bring about chaos.

Senator RUSSELL.—It is not a question of what the honorable senator wishes. We sometimes bring about results that we do not wish. Our only desire is to adequately protect Australia, and at the same time avoid being unnecessarily harsh in checking the movements of aliens within the Commonwealth.

Senator PRATTEN (New South Wales) [3.12].—I desire to say a word or two in reply to the reference to myself by the Vice-President of the Executive Council (Senator Russell). I confess that when sixteen amendments are slammed down before me without a copy of the Bill, six months after the measure has passed this Chamber, I am utterly unable to grasp their effect. This is the third time to-day that the Government have attempted "rush" legislation.

Senator PEARCE.—That is not correct.

Senator PRATTEN.—I understand that before the luncheon hour a very strong party in this Chamber—

The CHAIRMAN (Senator the Hon. T. J. K. Bakhap).—Order! The honorable senator will be out of order in discussing that matter.

Senator PRATTEN.—Surely I shall not be out of order in making an incidental reference to it. I object to "rush" legislation now, just as I objected to it in respect of another measure which was under review in this Chamber half-an-hour ago. Upon that occasion we actually had under consideration a verbal amendment, a copy of which had not even been circulated to honorable senators. But for the fact that I did not understand what it all meant, and wanted it repeated, I doubt very much whether the Chairman himself would have grasped what he was putting to the Committee. I make that statement most deliberately. I have been here only since the luncheon hour, and yet I find that we have now before us an amendment that we have not even had an opportunity to consider. I urge the Government to have some consideration for the reputation of honorable senators. I do not feel inclined to make myself a laughing-stock as a representative of New South Wales, and to lay myself open to the gibe that I will assist to pass any measure which the Government may put before me, whether I have read it or not, and whether I understand it or not. If the Bill is urgent will the Government say why? The passport system has been in force for some years, and the matter of urgency is not apparent.

Senator J. F. GUTHRIE (Victoria) [3.17].—I indorse the remarks of those honorable senators who have just spoken; not, however, that I take any objection to these particular amendments, because they are obviously simple. Indeed, they are of such little moment that they scarcely afford the right opportunity to take the Government to task for the manner in which they are conducting their business. Honorable senators have been sent here to give consideration to every item of public business which may be placed before them, and they should have full scope and opportunity for so doing.

This is not the first occasion when we have been asked to give the Government practically a blank cheque, in that we have been required to vote upon a matter in regard to which, through no fault of our own, we are virtually in ignorance. However, I do not think it would be right this afternoon to obstruct Government business; and, having said so, I again express my objection to the way in which we are asked to give blind acquiescence to the proposals of the Ministry.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.19].—It is not the desire of honorable senators to meet on Wednesday next; otherwise there would not have been so much cause for reasonable despatch at this moment. Ministers always endeavour to meet the convenience of honorable senators, and particularly of those who have to travel long distances to be in their places here. If, however, we are to be held up over trivial details, it will not be so easy for us to observe honorable senators' wishes.

Senator DRAKE-BROCKMAN (Western Australia) [3.20].—Since speaking to this matter earlier, I have had some few minutes for thought and consideration, and have come to the conclusion that the statement of the Minister (Senator Russell) to the effect that the amendments are simple is correct. I have had an opportunity to peruse the amendments, and I am now in a position, I believe, to give an intelligent vote upon them. I am prepared, therefore, to support the Government.

Senator PRATTEN.—What does this particular amendment mean? Is it merely an extension of the clause for drafting purposes?

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.21].—The sole purpose of the amendment is to afford greater security against fraud. The intention is to provide that the visé or passport may be cancelled even though some person is actually holding it. There may be hundreds of passports out, the return of which cannot be secured either because of their loss or due to the neglect of the parties to whom they have been issued. If any person, other than the rightful possessor, were to attempt to use a passport, its use would be illegal.

Senator PRATTEN (New South Wales) [3.22].—In paragraph *a* of clause 3 there is provision that a person may leave Australia if his passport has been viséed or indorsed in the prescribed manner for that journey. That assumes that the intending traveller has lodged his passport with whichever Department is administering the matter, and that he may pay his passage money, secure his ticket, and, in due course, embark and leave Australia without further let or hindrance. The amendment introduces a condition having to do with the fact that a visé or indorsement has not been cancelled. Frankly, I do not know what that means.

Senator RUSSELL.—A person may secure a passport by fraud and be actually on his journey. The Minister may discover the fraud, and he is here given power to cancel the passport, even though the person wrongfully holding it is on board ship and has left Australia.

Senator PRATTEN.—I have had considerable experience of passports, and am not prepared to give my vote in the direction of placing in the hands of any Department or official a power that should not be held.

Senator PEARCE.—Only the Minister is to have this power; and, if such power were not granted, what protection would there be against the fraudulent use of a passport?

Senator PRATTEN.—There is power given in the Bill for a Minister to cancel a visé or indorsement at any time.

Senator RUSSELL.—That is so.

Senator PRATTEN.—Is there any power given to any person other than a Minister?

Senator RUSSELL.—Not unless specially authorized by the Minister; and, even so, the Minister retains responsibility.

Senator PRATTEN.—Am I to understand that there is no official, other than a Minister, who can interfere with a passenger once he has had his passport viséed and indorsed?

Senator RUSSELL.—That is so; but, as I have just indicated, the Minister may authorize some person at a distant port to intercept the wrongful holder of a passport, and, meanwhile, the passport will have been cancelled. The Minister has power of delegation, but retains his responsibility.

Senator PRATTEN.—Actually, then, the Minister himself has very little to do with passports. The regulations which will be made under this measure will practically place the matter in the hands of the Customs Department for dealing with incoming passports, and with the Department of Home and Territories for issuing passports to outgoing travellers. Now that normal conditions are returning, no power should be retained by, or given afresh to, any official with respect to passports. Once a traveller has obtained his passport through the ordinary official channels, then, unless something crops up which would justify the Government—and not an official—in cancelling it, there should be no interference.

Senator RUSSELL.—The power of cancellation has been availed of once or twice in Australia recently, and it was a power whose employment was more than justified in the circumstances.

Senator PRATTEN.—Now that normal conditions exist, there should be no more of these little tin gods, these departmental officials, who wielded such autocratic authority in the matter of passports during the war.

Senator RUSSELL.—They have all been done away with, so far as passports are concerned. There is only one little god now, and that is the Minister.

Senator PRATTEN.—I have seen a good deal of the passport system, and I will not stand for a continuation of conditions such as existed in the years of the war when departmental gods wielded autocratic control.

Motion agreed to.

Remaining amendments agreed to.

Resolutions reported; report adopted.

SPECIAL ADJOURNMENT.

Motion (by Senator PEARCE) agreed to—

That the Senate, at its rising, adjourn until 3 p.m. on Wednesday, 17th November, 1920.

ADJOURNMENT.

WAR GRATUITY BONDS—ADMINISTRATION IN NEW GUINEA—IMPORTATION OF GERMAN BIBLES.

Senator PEARCE (Western Australia—Minister for Defence) [3.36].—In moving—

That the Senate do now adjourn,

I desire to read a reply to a question asked by Senator FOLL on the 3rd November concerning the cashing of war gratuity bonds. I promised the honorable senator that I would obtain a reply, and I now have this information from the Treasury—

The position is that a soldier is entitled to cash at any time if his circumstances are such that he would have been entitled to cash when the bond was originally issued, though he did not then apply for cash. He may also be paid cash if his circumstances have changed so as to bring him within the conditions under which cash may be paid as set out in the Act. This means that if, say, six months hence, a soldier becomes in necessitous circumstances, or becomes totally incapacitated for work, or marries, or complies with any other conditions set out in section 13(1) of the Act, the Treasury will provide cash.

Senator PRATTEN (New South Wales) [3.38].—I desire to say a word or two upon a subject of importance before the Senate adjourns, about the position of affairs in what was formerly known as German New Guinea. Honorable senators will probably remember that some comment has been made about the position in the Melbourne press. Two or three instances of oppression and unfairness, that should not be tolerated, have come under my own notice. I do not wish to pursue this subject to-day, but I feel that something is wrong, and I propose, before the Senate meets again, to bring the matter under the notice of the Minister, with a view to having it righted, if possible.

Senator RUSSELL.—I do not think it is quite fair to the Government for the honorable senator to make a charge without giving some particulars.

Senator PRATTEN.—I am not making any definite charge; but I have had brought under my notice one or two illustrations of what is going on in that Territory. If the statements are true, the position is unreasonable, and should be righted.

Senator RUSSELL.—Seeing that the reputation of the Administration is at stake, I wish the honorable senator would be good enough to let me know what he has in his mind, so that we may right it.

Senator PRATTEN.—Very well. One matter is in connexion with the sale of rubber, and concerns a firm known as Carpenter. The other matter is in connexion with a soldier, who has been

threatened with dismissal if his wife goes up there as a nurse in a Methodist Mission. I give these cases in response to the Minister's inquiry; and I only want to say that, inasmuch as the mandate has not yet been received from the League of Nations, and we have been carrying on the administration under the military law, in the terms of the German capitulation, for over four years, it seems a pity that any alteration should be made pending the receipt of the mandate. I am not quite sure if what is going on now is legal or can be justified, or whether the Government would not be better advised to allow the military administration to continue until such time as the League of Nations gives the Commonwealth the mandate for which we are waiting.

Senator BENNY (South Australia) [3.40].—I do not wish to take up the time of the Senate, but I desire to call attention to the very unsatisfactory reply I received from the Minister (Senator Russell) yesterday in connexion with the importation and distribution of German bibles in the Commonwealth. During the war the Government very properly issued a proclamation prohibiting the importation of bibles and hymn-books printed in the German language, with a view to stopping any propaganda work. I do not blame them for that. But we are now at peace, and the Government, under pressure, I presume, from the Lutheran Synod, and also after requests made by the British and Foreign Bible Society, gave permission to the Lutheran Synod to import German bibles and hymn-books. I do not object to that. Those people have a perfect right to worship in their own way, and read the Bible in their own tongue, and I do not wish that right to be withdrawn from them. But, unfortunately, the Government refused permission to the British and Foreign Bible Society to import bibles in the German language. That, I think, is a shocking state of affairs, because the British and Foreign Bible Society is intensely loyal. It is presided over by the Duke of Connaught, and it has done more than any other society to spread the benefits of the Christian religion throughout the world. It is scandalous that the Government should prohibit this society from importing into Australia bibles

printed in the German or any other language. This policy is quite at variance with that adopted in other parts of the British Empire. All over the world the British and Foreign Bible Society has the right to print and distribute bibles in any language. The society is entirely supported by private subscriptions, and does not seek to make a profit on its transactions.

Senator WILSON.—Were these bibles printed in Germany?

Senator BENNY.—I do not know, and, so far as I am concerned, it does not matter.

Senator WILSON.—I think it does matter.

Senator BENNY.—We do not make war on religion. If our German-born citizens of the Commonwealth desire to read their bibles in their own tongue, they have a right to get these bibles. As a matter of fact, we need not fear Germany now at all. Germany is down and out, and will never come again. Her great men pretended that there was going to be a second Punic war; that, although they had lost the first war, there would be another, and they would win it. But there will never be another great German war, and we can afford to be indifferent as to what the Germans may think now. Personally, I do not even fear the German propaganda now. All I ask of the Government is that they will accord to the British and Foreign Bible Society those rights which are extended to it throughout the British Empire. I urge the Government to reconsider their attitude in connexion with this matter.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.44].—In regard to the statement made by Senator Pratten, I may say that the question of the best and most effective manner of handling the goods and commodities of German New Guinea has had the most serious consideration of the Government for some time past. Rather than encourage keen competition among commission agents, we are making suitable arrangements for the control of the whole of the traffic until the mandate and other matters are settled.

Senator PRATTEN.—How can you do that, outside of the military law, until you get the mandate?

Senator RUSSELL.—We are acting upon the best legal advice, and are not likely to allow any abuse to continue. The constitutionality or otherwise of our action can only be determined by the Courts of this country.

Senator PRATTEN.—That action will be tested.

Senator RUSSELL.—We are prepared to see the job through without any technicality. At any rate, we are going to do our best. When we have troubles of our own I do not want honorable senators to make it more difficult for the Government to do a job which everybody in Australia is of opinion ought to be done. I may have misunderstood Senator Pratten, but in the early part of his speech he made what seemed to be equivalent to a charge, and then expected to leave it hanging over the Government for perhaps a fortnight without the Government having a chance to reply. If he has a statement to make, and will give me some slight indication of the lines he is going on, so that I may know enough to gather the necessary material, I shall furnish him with a full and complete reply. I was not angry with the honorable senator, but my point was that charges should not be made and then postponed for a month.

Senator PRATTEN.—I want the Minister to promise me the rectification of an injustice.

Senator RUSSELL.—We shall do the best we can.

Senator PRATTEN.—But I want a promise.

Senator RUSSELL.—If the honorable senator will give me the particulars, and can prove an injustice—

Senator PRATTEN.—If I prove injustice will the Minister promise to rectify it?

Senator RUSSELL.—Certainly, if, after investigation, I find that it is an injustice.

I am not an authority on the matter mentioned by Senator Benny. I promised the honorable senator to get the papers to-day, and have them now, but I find that they end where I started to reply to the honorable senator's question to-day. What has been done seems to have been something in the nature of a business or semi-business arrangement. The question is whether we ought to have more than one body acting as the distributor of this literature. We have not

decided to allow literature printed in the German language to fly around Australia without being under control. Acting with the best intentions, we thought that the organization connected with the Lutheran Church was the best to intrust with the distribution of bibles printed in the German language. Now we are told that we have made a mistake and done some injury to a patriotic British society. I shall bring the matter under the notice of the Minister, and ask him to consider it well, and to treat sympathetically the application of the patriotic British society in question to be permitted to do the distribution. I can do no more than that.

Question resolved in the affirmative.

Senate adjourned at 3.48 p.m.

House of Representatives.

Friday, 5 November, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 11 a.m., and read prayers.

WAR SERVICE HOMES.

Mr. CORSER asked the Acting Minister for Repatriation, *upon notice*—

1. Whether it is a fact that some returned soldiers with increasing families require a further addition to, say, four-roomed cottages purchased by them, at less than the total sum authorized under the War Service Homes regulations?

2. If a returned soldier under clause 9, sub-clause (c), of the regulations obtained an advance less than his authorized borrowing power, would he subsequently, under sub-clause (e), be eligible for further assistance to meet the cost of such necessary addition required for an increasing family, but not exceeding the total authorized advance to returned soldiers?

Mr. RODGERS.—The Commissioner advises—

1. and 2. No. The object of the War Service Homes Act is to provide returned soldiers and their dependants with the means whereby they may acquire their own homes. If successful applicants could apply at any later period for further assistance there would be no end to the activities of the Commission, and this point is closely related to the question of finance which, as the honorable member is aware, is very acute. However, the suggestion to make additional help available to those who have already been assisted to acquire a home will be reviewed when the applications already submitted by returned soldiers and others who have not yet been granted assistance have been satisfied.

LIEUTENANT-COLONEL RAMSAY SMITH.

Mr. MAKIN asked the Minister representing the Minister for Defence, *upon notice*—

Whether the Minister will lay upon the table of the House the papers in reference to the recall of Lieutenant-Colonel Ramsay Smith, O.C., No. 1 Australian General Hospital, Helio-polis, Egypt, in 1915?

Sir GRANVILLE RYRIE.—The documents upon which the Minister acted in accepting the advice of the authorities overseas have already been made available for the perusal of honorable members, and I shall be happy to enable the honorable member for Hindmarsh to peruse them.

INTER-STATE COMMISSION.

Mr. BLUNDELL asked the Minister for Trade and Customs, *upon notice*—

1. What is the total amount paid in salaries to the members of the Inter-State Commission?

2. What is the total amount paid for clerical assistance, travelling, office, and other expenses of the Commission?

3. What recommendations of the Commission have been given effect to?

Mr. GREENE.—The information is being obtained.

KESWICK MILITARY HOSPITAL.

Mr. MAKIN asked the Minister representing the Minister for Defence, *upon notice*—

Whether the Government will have prepared a statement, and have the same laid on the table of the House at the earliest opportunity, respecting the following:—

(1) The total amount paid by the Government during the periods July, 1918, June, 1919, July, 1919, and June, 1920, in connexion with the medical and surgical administration and staff at the military hospital at Keswick, South Australia?

(2) A detailed list of practitioners and the respective amounts received for duties at the above hospital?

(3) A list of practitioners permanently attached to the staff?

(4) A list of practitioners in the service of the Department at this hospital who also have a private practice?

(5) A list of practitioners who are in the service of the Department at the above hospital, and who are also retained by other Government Departments, and what amounts are received for such other duties?

Sir GRANVILLE RYRIE.—Yes.

LAND RADIO OPERATORS.

Mr. WISE.—Yesterday the honorable member for Parkes (Mr. Marr) asked me the following questions:—

1. Is it a fact that, in connexion with the transfer of the officers of the Government Land Radio Stations from the Department of the Navy to the Department of the Postmaster-General, the following injustices have occurred:—(a) That permanent officers of the Commonwealth Public Service (previous to their transfer to the Department of the Navy for war service) find themselves transferred back to the Public Service without their former status, thereby being reduced from the Professional class of the Service to the Clerical; (b) that increments of salary earned by them under the Department of the Navy, and due from July last, have not been paid by the Navy, and that the Commissioner for the Public Service has ignored the same when assessing their present salaries; (c) that officers have been reduced in salary as much as £29 per annum, in addition to their £12 annual increment, making their total reduction £41 per annum?

2. Is it a fact that the officers, who are all members of the Radio Telegraphists Institute of Australasia, instructed their secretary to ask the Public Service Commissioner to allow them representation when the details of the transfer were being considered, in order to prevent injustice?

3. If so, why was this request refused?

4. Is it a fact that the Public Service Commissioner acknowledged recently, through his representative in the Arbitration Court, that these officers were "professional engineering men"?

5. If so, why have these men been deprived of their status?

6. As these officers have received no war bonus, repatriation benefits, or recognition of any sort for their services at a time of great national danger, will the Government, at this late hour, in recognition of this service, and in view of the treatment now meted out to them, appoint a special tribunal to inquire into their case at once with their official representative?

I promised that the information would be obtained, and the Acting Public Service Commissioner has now furnished me with the following information:—

1. (a) Upon re-appointment to the Public Service certain of the officers referred to have been classified in the Clerical Division. The duties of these officers are not considered to be of a Professional Division character. Positions of an allied character in other sections of the Postmaster-General's Department are classified in the Clerical Division, and no good reason now exists for difference in divisional classification. Where the duties are of a professional character, *e.g.*, engineers, the officers have been classified in the Professional Division. (b) Increments due from 1st July last accruing up to date of transfer have been paid, except in cases where it is the practice to hold payment until the passing of the Estimates. The officers

claims to these increments were not overlooked when assessing their salaries as officers of the Public Service. (c) While, owing to difference in system of classification in the Navy Department and in the Public Service, amounts paid as salary will in nine cases be less, there will be no reduction in actual remuneration; on the contrary, there has been a general increase. It must be noted that the Navy scale of salary covered all services rendered by officers on Sundays, on holidays, and for overtime, which, under Public Service practice, are compensated by payment in addition to salary. Furthermore, any reduction in salary has also been met by placing the Radio staff under similar conditions to those of the general body of officers in the grant of allowances to meet present conditions of living. Each unmarried officer will receive £30, and each married officer £45, in addition to salary, and remuneration for Sunday and holiday work should amount to at least an additional thirty days' pay. Exclusive of Sunday and holiday pay, the officers of the Radio staff will be paid during the current financial year a sum of £4,250 above what they would have received had they remained under the Department of the Navy, and received increments from 1st July, 1920.

2. It is not known whether any such instruction was given, but a request was received from the secretary of the institute for representation.

3. The request was refused on grounds of public policy.

4. The reference made was to their former status in the Postmaster-General's Department when the officers were designated "Engineer Operators," Professional Division.

5. See answer to 1 (a).

6. It is not considered that the appointment of a special tribunal is justified, as the officers are receiving equitable treatment in connexion with their transfer to the Postmaster-General's Department.

ADJOURNMENT.

DEATH OF THE LORD MAYOR OF CORK.

Mr. SPEAKER.—I have received an intimation from the honorable member for Kalgoorlie, in which he desires to move the adjournment of the House "for the purpose of calling attention to the effect on Australian relations with Great Britain of the action of that country's Government in connexion with the death of the late Lord Mayor of Cork."

Five honorable members having risen in their places,

Question proposed.

Mr. MAHON (Kalgoorlie) [11.4].—The participation of Australia in the great European war justifies the intervention of this Parliament in other matters of international importance. We fought for "the liberty of small nations

and to make the world safe for Democracy"; at least, so we were assured during the continuance of the war. That being so, we are entitled to show concern for small nations other than Belgium and Poland whose liberty is impaired and in which Democracy is not safe.

Our intervention in this conflict, which, by the way, evoked much eulogy from persons who have since proved neither friends to one small nation nor to Democracy, establishes our right to a voice in international matters, and cancels any objection which might otherwise be raised to this motion.

The people of Australia—putting aside a noisy but negligible faction—having taken part in the war, and having thus shown their desire for the liberty of small nations and for the triumph of Democracy, must be taken as cordially favouring removal of the grievances of Ireland. We may, therefore, assume that they reprobate and reprehend the policy which has resulted in the tragic death of the Lord Mayor of Cork. That event has provoked amazement and indignation throughout the civilized world. The public conscience is shocked by a policy which leads to such tragedies. Close observers of events, here and elsewhere, fear that a continuance of this policy will lead to strained relations between Australia and Britain. This fear is shared by some of the clearest thinkers and most eminent men, even in England. Among others let me cite Lord Denman, a former Governor-General of Australia, who knows this country intimately. Writing to the *London Times* on 6th September last, he said—

If not too late, the Lord Mayor of Cork should be released immediately. His death in prison will probably defer hope of Irish settlement for many years,

This is the part which I emphasize for the benefit of honorable members and those outside who may be inclined to object to the motion—

and will certainly have serious consequences in the self-governing Dominions.

I take it that Lord Denman had several reasons for writing in that strain. The first, of course, was to save the English Government from the reproach of the murder of the Lord Mayor of Cork; the second, I take it, was the hope that his

release would bring about a more speedy settlement of the Irish question. But he had a third reason. Lord Denman, knowing Australia well, is aware that our domestic problems are often complicated by appeals to sectarian rancour and anti-Irish prejudices, which invariably provoke retaliation. It is apparent that he desired to remove the cause of these outbreaks, in order that Australia might attend to her national affairs, free from such extraneous obtrusiveness. I may commend the wise words and the deliberate warning of Lord Denman to the consideration of the House and the country.

In itself, and apart from other circumstances the death in a foreign prison of the Lord Mayor of an Irish city should give pause to every man who values civic liberty. Let us consider what manner of man he was, and why he met death in a convict cell. No criminal, certainly. Even the Thugs who gaoled him dare not utter that perjury. He was a man irreproachable in domestic and private life, a poet and idealist, beloved by his fellow-citizens, the parliamentary representative and chief magistrate of an ancient and important city. What sort of Government is it which puts a man of this type in fetters, and condemns him to the death of a felon?

Mr. CONSIDINE.—The death of a hero.

Mr. MAHON.—Let us consider the character of the Government which did this thing. I say deliberately that you would have to go back to the Russia of the Czars or to some of the cut-throat clubs of the French Revolution for its prototype.

Mr. MARR.—What was done was not as bad as shooting policemen in the back.

Mr. MAHON.—I never heard of a policeman being shot in the back, except when he was running away. The honorable member should know that there are no policemen in Ireland. There are spies; there are the *agents provocateurs* of a foreign Government; but there are no men who at any time perform purely police duties as understood in Australia. There is not a police force in Ireland in the ordinary sense of the term. I suppose the honorable member spoke out to the fullness of his ignorance of Irish matters.

Mr. HECTOR LAMOND.—I ask if the honorable member is in order in referring to the British Government as a foreign Government in Ireland?

Mr. SPEAKER.—I have no precise knowledge that the reference was to the English Government. In any case, the honorable member is only expressing his own view.

Mr. MAHON.—This ridiculous point of order I shall meet by a plain statement. I have no hesitation in saying that, so far as Ireland is concerned, the British Government is a foreign Government.

Mr. LISTER.—You have sworn allegiance to it.

Mr. MAHON.—Have I? When? I have sworn allegiance to Australia, not to any other country.

Mr. MARR.—You said that we fought the last war to make this a nation.

Mr. MAHON.—I do not think that the honorable member did much fighting.

Mr. MARR.—Certainly the honorable member himself did not.

Mr. MAHON.—I was past the age of fighting; otherwise I might have gone where there was some danger; I doubt that the honorable member did that.

Mr. FLEMING.—Then you do not know much about it.

Mr. MAHON.—I know as much about it as you were in a position to know.

Mr. JACKSON.—In any case, what has the matter under discussion to do with Australia?

Mr. MAHON.—What had the war between England and Germany to do with Australia? Is it nothing to Australia, whose sons in thousands died for the liberty of Belgium and France, that little Ireland, a part of the British Empire, has had its liberty ruthlessly suppressed? Having spent unnumbered millions to help to "make the world safe for Democracy," why should the honorable member question an effort, which costs nothing, to make Democracy safe in Ireland?

I desire to assure the House that I am not voicing the sentiments of merely those of the kinship or of the blood, of the Lord Mayor of Cork. Here I have a copy of the *London Nation*, a newspaper not published in the interests of any particular party, but apparently an impartial one. The *Nation* is, I believe, a

Radical newspaper, but I think some honorable members opposite who are interjecting might consult its pages with advantage so far as international politics are concerned. The *Nation* says—

Here is a representative leader of Irish Democracy, a member of Parliament, and a chieftain of Sinn Féin. What are his relations with the British Government? Mr. MacSwiney was first arrested four years ago. He was then deported to Wakefield prison without trial or charge. Some months later he was released "without explanation or apology." In a few months he was re-arrested and deported. He escaped, was re-arrested, and sentenced to nine months' imprisonment for a seditious speech. In one month of 1918 he was released for ill-health, and re-arrested the next. Again he was discharged a sick man, re-arrested at the prison gate, and deported, untried and uncharged, to England. Release, again "without explanation or apology," followed next spring. In the autumn of 1919 and in the following year four warrants were issued against him. His final arrest, and his fourth deportation to England, took place last month.

How was this man tried? Not by a jury of his fellow countrymen, but by a court martial composed of officers of the army of occupation. What sort of justice was he likely to get from a tribunal of that kind? What was his offence? His offence was this: His desk was burst open, and in it was found some document which was supposed to belong exclusively to the army of occupation. That was the offence for which this man—this Lord Mayor of Cork and member of Parliament—was sentenced to two years' imprisonment, and to a lingering and painful death.

Sir JOSEPH COOK.—"A lingering and painful death"?

Mr. MAHON.—That was the outcome undoubtedly.

Mr. PROWSE.—Would the authorities not give him any food?

Mr. MAHON.—The honorable member who asks that silly question is evidently unable to understand or appreciate the heroism of a man who sacrificed himself for the advancement of an ideal. I do not expect the honorable member to comprehend such an exalted act.

Mr. PROWSE.—I cannot!

Mr. MAHON.—No; certainly not. The honorable member is more concerned with the price of wheat.

Mr. HECTOR LAMOND.—There is a great deal of difference between a man offering himself as a sacrifice, and his being murdered.

Mr. MAHON.—Does the honorable member mean to say that a man commits

suicide who rushes into a burning building to save life, or that a man in war time, when fighting against the enemy, suicides when he gives his life to save the lives of others? That is what the Lord Mayor of Cork did, and I hope that there will be no Thuggish suggestion that he committed suicide.

Mr. PROWSE.—There is no question about it.

Mr. MAHON.—It is a lie!

Sir JOSEPH COOK.—I rise to a point of order. It is quite clear that this matter cannot be debated calmly.

Mr. MAHON.—Simply on account of insolent interjections from the other side.

Sir JOSEPH COOK.—I ask your ruling, Mr. Speaker, whether this is a motion which should be debated in the present way. I should like to know, first of all, where the urgency of this matter is—how it becomes a matter of urgent public importance here in Australia. There is another course available in order to debate such questions as this. This question of Irish wrongs has been debated here, as you, sir, may recollect, on more than one occasion. Such a question ought to be debated on a specific motion; it is not in the nature of a matter of urgent public importance such as to justify a motion for the adjournment of the House, and the setting aside of the ordinary business of the country. I submit that the motion is not one within the category of the standing order, which provides clearly that an honorable member must rise in his place, and must propose to move the adjournment of the House for the purpose of discussing a "definite matter of urgent public importance." This is a motion which would properly find its place, if at all, on the ordinary business-paper, to be dealt with in the ordinary way.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—The question whether this is a motion that can be rightly regarded as dealing with a definite matter of urgent public importance is not really one for me to decide. If the Treasurer (Sir Joseph Cook) will read standing order 38 he will see that the question of urgency and of the importance of the motion is practically determined by a certain number of members rising in their places to signify their acquiescence in the view that the matter is of urgent public importance.

Sir JOSEPH COOK.—What standing order is that, Mr. Speaker?

Mr. BRENNAN.—Anything does to delay discussion that the Treasurer does not wish to hear!

Sir JOSEPH COOK.—The honorable member had better stop such insults; they will not help the discussion.

Mr. SPEAKER.—I refer to standing order 38, which is as follows:—

No motion for the adjournment of the House shall be made except by a Minister of the Crown, unless a member after petitions have been presented and notices of questions and motions given, and before the business of the day is called on rising in his place shall propose to move the adjournment for the purpose of discussing a definite matter of urgent public importance (which he shall then state and hand in writing to the Speaker), and unless five members shall thereupon rise in their places as indicating approval of the proposed discussion. The member proposing the motion for adjournment shall not be allowed to address the House on such motion until the Speaker shall have ascertained that five members approve of the proposed motion.

Sir JOSEPH COOK.—That does not make the matter urgent.

Mr. SPEAKER.—It has been decided by Speakers of the House of Commons that the fact that a certain number of members rise in their places is an indication that the matter is regarded by a section of the House as one of urgent public importance, and that it is not one for the Speaker to determine. That the onus is placed on the House seems to be clear from the fact that five members must rise in their places to signify approval and concurrence, and as an indication that they regard the question as one of urgent importance. Of course, it is for the House to deal with the matter as it thinks fit.

Sir JOSEPH COOK.—Very respectfully I ask to be permitted to point out—

Mr. SPEAKER.—Does the Treasurer question my ruling?

Sir JOSEPH COOK.—I wish to point out where I think it is wrong.

Mr. SPEAKER.—There is only one way to challenge the Speaker's ruling, and that is by submitting a motion of dissent in writing; the Speaker's ruling cannot be canvassed or debated except under such a motion. Honorable members will see how the business of the House would become chaotic if, when a ruling were given, it were made the subject of debate and argument with the Chair. Therefore, the Standing Orders

specifically provide a means of challenging a ruling if it is thought to be wrong.

Sir JOSEPH COOK.—Many a Speaker has heard another view in regard to his rulings before it has been finally disposed of.

Mr. SPEAKER.—The right honorable gentleman would, in other circumstances, himself be the first to question such a procedure.

Mr. MAHON.—The Treasurer has been very successful in his object. Knowing that the Standing Orders limit my time, he has adroitly consumed much of it. However, in view of the feeling on the Government side of the House, I will express no further opinions of my own, but simply read the deliberate declaration of the members of the British Parliamentary Labour party. Here is what the British delegation, after visiting every part of Ireland, reported to their colleagues in the House of Commons—

Ireland is utterly estranged . . . by an administration whose methods would drive any spirited nation into a state of deep-seated and dangerous discontent. . . . Over the greater part of Ireland the belief exists that Dublin Castle pursues a policy of calculated provocation. The civil and military police between them have destroyed practically all safeguards of personal and political liberty. . . . Raids on private houses are of common occurrence. Possession of a political leaflet means immediate arrest. A gathering of three persons is an illegal assembly. Fairs and markets, an essential part of Irish trade, are prohibited; trade union meetings, even national games and pastimes, are forbidden, and musical and literary festivities of the most harmless character are regarded as conspiracies. . . . The High Court bench is mainly political, its charges to the grand juries and political feeling often determines its judgment. No Irish Judge condemned the Ulster rebellion of 1913-14, which was led by an eminent King's Counsel; but to-day all Irish Judges condemn Southern "sedition." The contempt with which Courts are regarded is the direct reflex of the general misrule.

Turning once more to the *London Nation* I find this extract, which I commend to honorable members—

A Government is no Government, as we English understand government, which discards the representative principle or inhibits it from working. This is what we have done to Irish representation.

I ask the attention of honorable members to the passage which follows:—

In 1918, sixty-eight Sinn Feiners were elected by the people of Ireland. Of these we have sentenced ten to death and twenty-one to penal servitude. Thirty-seven have been arrested without charge, and imprisoned or deported without trial, and sixty-five imprisoned without

charge or for political offences. Only two out of the sixty-eight have escaped the attention of our police. The normal residence of an Irish Republican member of Parliament is a British prison.

Let me remove one possible misconception. These Irish members of Parliament are elected by the machinery and methods established by the English Government in Ireland, which are practically identical with the machinery by which are elected members of Parliament in England. Such of these members who are not in gaol could enter the House of Commons to-morrow if they choose to do so, but they decline. Is it not a shocking commentary on Britain's boasted love of freedom that the elect of the nation find their place, not in Parliament, but in the gaols of the country? I am confident that Australia will not stand for a policy so unrighteous, and that, if continued, it will lead to serious estrangement between the Dominions and the Imperial Government.

I do not wish to quote much from the Australian press, but here is a summary of the position in the Australian *Worker* of the 15th July, which well expresses the position. We are told—

The situation in Ireland is without precedent in the history of any civilized people. No such barbarities were ever practised by the Germans in Alsace-Lorraine as have been perpetrated in Ireland within the past five years.

To-day there are nearly 100,000 British troops and 11,000 armed police trying vainly to compel the Irish race to show respect for English officials, whom they loathe, and for English laws which they neither made nor sanctioned. And this criminal and tragic farce is costing the British taxpayers over £14,000,000 a year. For what?

Do the Irish people desire to injure Britain or the British? Are they trying to undermine the British Empire? Are they attempting to annex any British territory or to invade England?

Of course, they are not attempting any of these things. Ireland's only offence is that the people demand the right to make their own laws without the intervention of foreign bullies and foreign bayonets.

An objection was made a few moments ago to the propriety of referring to the British Government in Ireland as a foreign Government. I repeat that any administration which does not exist by the free will and the sanction of the people over whom it functions is a foreign Government. Here, in this newspaper, I have an endorsement of that statement—

And Britain, being the bigger of the two, refuses to discontinue the bullying and the bayoneting.

Present writer, who is neither Irish nor Roman Catholic, is aware that there are a small number of people in Ireland who want to be governed from Downing-street, London. For the most part, they are either religious fanatics or capitalistic reactionaries, who see "Rome" or "Bolsh" in red letters whichever way they turn.

We have quite a number of the same kidney in the Commonwealth, but we do not allow them to run the country as they do in Ireland, with the aid of British machine guns, tanks, and troops.

What is there about Ireland which makes it so attractive to John Bull that he is content to incur the contempt of the whole civilized world rather than leave the place alone? What does Britain gain by keeping Ireland as a thorn in her flesh?

Would it not be immeasurably wiser policy to have Ireland as a contented, happy and prosperous neighbour?

I think I may fairly conclude with these words. I regret very much the heat which has been imported into this discussion. It was not of my seeking. I had no intention whatever of saying anything to offend any honorable member, or, indeed, any person in the community. If I have inadvertently done so, I regret it, but the justification is in the uncalled-for provocation I received from the benches opposite.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [11.32].—I must confess to a feeling of surprise that, under the Standing Orders, such a matter as this can be treated as one of urgency. The honorable member for Kalgoorlie (Mr. Mahon) can hardly expect us to believe that he has submitted this motion in order to do some good thing for Australia. If he would have us believe, as we readily can, that he has moved this motion to do some evil to Britain and the Empire, then it does seem most amazing that it should be possible for him to do so with impunity under the Standing Orders and procedure of this House, which recognise Australia as an integral part of the British Empire, and, in so many words, declare emphatically that the King of Britain is the King of this country. The honorable member has chosen as a peg upon which to hang his diatribe against England the death of Alderman MacSwiney, Lord Mayor of Cork. In this matter every man speaks for himself. I am not going into the merits of the offence of the late Lord Mayor of Cork,

or the manner in which he was treated. I would not like any one to think that I had no admiration for a man who died for a cause; but if I am asked whether this man died for a just cause, I join issue with the honorable member and say that he did not. He died for a cause in which he believed. If I am asked to bow my head as a token of respect for that man I do so, but it must not be understood that in doing that I am blaming Britain. The honorable member introduces this matter in a way that suggests that he thinks all the merits are on the one side. He has invited us to censure Britain. We cannot do that.

MINISTERIAL MEMBERS.—We will not do it.

Mr. HUGHES.—By passing the resolution which the honorable member would have us pass, we would tear up our Constitution and our connexion with Great Britain. The honorable member has asked us some very foolish questions this morning. He referred us to a newspaper called the *Nation*, which he would have us believe gives an impartial expression of British opinion. He then proceeded to quote the *Worker*. I do not know who is the writer of the article he quoted, but in some newspaper in this country one can find support for any opinion one pleases to express. I could find support, just as effective and complete for Lenin and Trotsky and the bloody horrors which those men have perpetrated in Russia during the last two or three years.

Mr. CONSIDINE.—The Prime Minister does not know what he is talking about.

Mr. HUGHES.—They have perpetrated bloody horrors the like of which has never been known in civilized times. I am not going to censure Britain; I am not going to interfere with the rights of the British Parliament to mind its own business. If some member of that Parliament rose in his place to-morrow and attempted to tell us what we ought to do in matters within our own constitutional power, I should be the first to tell him to mind his own business. We have business enough of our own. Let us attend to it.

I repeat that the honorable member would have us believe that all the merits of this matter are entirely with Ireland

—that the Irish are always in the right, and that England is always in the wrong. I am not going to defend English rule in Ireland. Let the English defend it. But any man who in this House asks Australia to censure England on the ground that one man, after a fast of over seventy days, has died, in order to show that he believes in Sinn Fein, and then expects us not only to justify but to laud Sinn Fein in the face of its record of crimes and outrages, the like of which neither the honorable member nor I has seen equalled in his lifetime, must have a curious view of public opinion in Australia. I have before me last night's issue of the *Herald* and this morning's issue of the *Argus*. In the *Herald* it is stated that in Ireland within the last forty-eight hours two policemen have been killed and two wounded; that one soldier has been killed and two wounded, two civilians killed and two wounded, and two "black and tans" killed. In the morning paper there appears a cablegram headed "Sinn Fein murders." "Seventeen constables killed." "Public will not help police." The honorable member for Kalgoorlie has said that he did not know of any policeman in Ireland who had been shot in the back. Sir, they shot an Irish Roman Catholic policeman while he was before the altar. The honorable member would have us believe that the police of Ireland are Protestants and Englishmen. They are mostly Irish Roman Catholics. This man was shot before the altar—a foul, sacrilegious crime. They shot another man on his way home from mass. They waited for him, and as he left the church they shot him. The cablegram to which I have just referred states that—

The outrages have been spread over a wide area, and have been of a most cold-blooded character. Constable Maxwell, who went to a public-house with a friend, was followed by four masked men and shot dead. Seven other men were present, but none raised a hand to defend the constable. Constable McCarthy, of Bruff, went for a cycle ride. His body was found in a drain practically naked. Sergeant Fulton was killed in the streets of Ballmote. He was surrounded by a dozen men, who fired a number of shots at short range, and then escaped by mingling with the crowd in the street.

It is believed that the Irish people sympathize with the murder campaign, which is so embittering the constabulary and soldiery to increasing reprisals. Though the murderers must be known to scores of people, none will assist the police to track the murderers or give warning of danger.

The honorable member says that we should condone all these offences. It is nothing to shoot a man before the altar, because, although he is a Roman Catholic and an Irishman, he is a policeman. Because he is a policeman he is outside the pale, and may be murdered with impunity anywhere and at any time.

We cannot agree to this motion. The cause of Sinn Féin, for which Alderman MacSwiney has died, is a cause which cannot succeed, because it rests on force and is stained by bloody murder. Those priests in Ireland who have had the courage to tell the people what is right, have condemned it, but the honorable member did not quote them. I deplore all these outrages and murders. I deplore the state of things in Ireland. Long before this latest development I have attempted to secure some sort of settlement of Irish affairs. That, however, is beyond the powers of any one man. The trouble is embedded in the racial hatred or habits of mind of the two peoples. It is beyond the power of this Parliament, the British Parliament, or any other Legislature to deal with. I do not justify anything that has been done; but if I am asked when a policeman is shot that the Government should do nothing, that his comrades should stand idly by, that licence to commit murder wholesale should be given to one section of the Irish people, while the opportunity for justice is denied to others, I will not have it. If I am asked on whose side I am in this campaign, then I declare unhesitatingly that I am on the British side. There the matter stands. It is not that I am attempting to justify the manner in which the English have governed Ireland—I do not believe that the English can ever govern Ireland properly. The English do not understand the Celts, and I have never hesitated to tell them that, but I shall not stand quiet while certain people seek to establish a republic within gun fire of the English coast, and thus aim a blow at the very heart of the Empire. The Irish problem is one for Britain to deal with. We have nothing whatever to do with it. But as the honorable member for Kalgoorlie (Mr. Mahon) insists that we must express our opinion, I have expressed mine quite clearly; I am opposed to the honorable member's view. I do not regard Britain as a foreign country; if it were a foreign country, very few honorable members opposite

would have a right to be here at all, because they would not then be naturalized. When they speak of Britain as a foreign country, they do not seem to recognise that everything they have they owe to Britain's might and power.* They are very ready to avail themselves of British protection. The honorable member for Kalgoorlie quoted a statement from Lord Denman that there would be trouble in Australia; are we to understand that if we do not pass this motion the honorable member will attempt to recreate in Australia the state of affairs that exists in Ireland? Let him try it; he will then find that the Australians are of a temperament altogether different from that of the English.

Mr. TUDOR (Yarra) [11.47].—The Prime Minister said that honorable members on this side are not naturalized, and, therefore, have no rights in Australia. I was born in this country, and I have as much right to be here as has any other citizen born of Welsh parents. Unfortunately, I was not in the Chamber when the honorable member for Kalgoorlie (Mr. Mahon) raised this question; had I been here I would have supported him in drawing attention to this matter. I have heard honorable members opposite praise Arthur Henderson, the present Leader of the Labour party in Great Britain. He is a good Nonconformist like myself, but they omit to mention the fact that his attitude on the Irish question is the same as ours. I do not say that all the fault is on one side. We have heard of a suggestion that a battalion of the Australian Imperial Force should be sent to France, and apparently it is right for one side to say what it thinks on this matter, but the other side must say nothing. Mr. Asquith, who I presume is a non-Catholic, speaking in the House of Commons a fortnight ago on the motion of Mr. Arthur Henderson demanding an inquiry into the position in Ireland, said—

there was *prima facie* evidence that the police and military were going far beyond the limits of self-defence and had carried out reprisals which were a crime and an outrage against unoffending innocent people.

He is not an Irishman, and does not represent an Irish constituency.

Mr. LISTER.—But he has an axe to grind, all the same.

Mr. TUDOR.—A man in Mr. Asquith's position has no axe to grind; the only motive he can have is to tell the truth. Apparently honorable members opposite see a political motive in every speech made by an opponent. Speaking at Leicester on Saturday—

Mr. Asquith said he was amazed and ashamed at the lethargy and indifference of the British people regarding the policy of reprisals. The only hope for Ireland was complete and unrestricted self-government.

The *Herald* of 30th August contained this cable message—

In a letter, the Rev. F. B. Meyer, President of the National Federation of Free Churches, urges every congregation in Great Britain to telegraph to-morrow to the Prime Minister, petitioning for the release of Alderman McSweeney, who is undergoing a sentence of two years' imprisonment in Brixton Gaol, and is hunger-striking.

That Federation comprises practically the whole of the churches in Great Britain, except the Anglican church, which is notoriously the most conservative body in the Old Country. The Prime Minister (Mr. Hughes) stated that he would not defend English rule in Ireland; there are some honorable members opposite who will not go as far as the Prime Minister in that regard.

Sir ROBERT BEST.—Hear, hear!

Mr. TUDOR.—I agree with the Prime Minister upon that point, as must every fair-minded person who is not an anti-Catholic.

Sir ROBERT BEST.—The honorable member had better refer to anti-Britishers.

Mr. TUDOR.—I am as good a Britisher as is any man in the House, and a much better Australian than many honorable members are.

Mr. HECTOR LAMOND.—Why does the honorable member seek to make a political issue a religious one?

Mr. TUDOR.—It has been made a religious issue by honorable members opposite. I have always refused to make a religious issue of the Irish question, and I will continue to do so.

Mr. HECTOR LAMOND.—Every argument the honorable member has used so far has been a religious one.

Mr. TUDOR.—I merely quoted the opinion of the Rev. F. B. Meyer, President of the National Federation of Free Churches, of which Mr.

Lloyd George was president at one time; but that gentleman did not get a single vote for any position at the last annual meeting of the Federation. I regret exceedingly that occasion has arisen for the moving of this motion. I had hoped that saner counsels would have prevailed. Like the Prime Minister, I cannot defend the English rule in Ireland.

Sir JOSEPH COOK.—The Prime Minister said something more than that; he said, "Let the British Government defend it."

Mr. TUDOR.—When Gladstone introduced his Home Rule Bill the Unionists broke away from the Liberal party; but we read in the *Herald* a few days ago that Lord Henry Bentinck, a Coalition Unionist, and an opponent of Gladstone's Home Rule Bill, had denounced Mr. Hamar Greenwood, the present Chief Secretary for Ireland, and that a scene had occurred in the House of Commons the like of which had not been witnessed for years. Even the very people who were so strongly opposed to Gladstone's Home Rule proposals are dissatisfied to-day with the Imperial Government's Irish policy. As a Parliament representing one of the self-governing Dominions, we have a right to express our opinion on the matter. I have taken the opportunity of expressing my view, while regretting exceedingly that occasion for so doing has arisen.

Motion (by Mr. MARR) put—

That the question be now put.

The House divided.

Ayes	30
Noes	17
Majority	13

AYES.

Bamford, F. W.
Bell, G. J.
Best, Sir Robert
Blundell, R. P.
Bruce, S. M.
Cameron, D. C.
Chanter, J. M.
Cook, Sir Joseph
Cook, Robert
Fleming, W. M.
Greene, W. M.
Gregory, H.
Groom, L. E.
Higgs, W. G.
Hill, W. C.
Hughes, W. M.

Jackson, D. S.
Jowett, E.
Lister, J. H.
Mackay, G. H.
Marks, W. M.
Marr, C. W. C.
Poynton, A.
Prowse, J. H.
Rodgers, A. S.
Ryrie, Sir Granville
Smith, Laird
Wise, G. H.

Tellers:

Burchell, R. J.
Story, W. H.

NOES.

Brennan, F.	McGrath, D. C.
Considine, M. P.	Moloney, Parker
Corser, E. B. C.	Page, James
Fowler, J. M.	Ryan, T. J.
Lamond, Hector	Stewart, P. G.
Lavelle, T. J.	Tudor, F. G.
Lazzarini, H. P.	<i>Tellers:</i>
Mahon, H.	Anstey, F.
McDonald, C.	Cunningham, L. L.

PAIRS.

Bayley, J. G.	West, J. E.
Bowden, E. K.	Watkins, D.
Chapman, Austin	Blakeley, A.
Foster, Richard	Riley, E.
Livingston, J.	Mahony, W. G.
Watt, W. A.	Gabb, J. M.
Francis, F. H.	Maloney, Dr.
Gibson, W. G.	Makin, N. J. O.
Hay, A.	Nicholls, S. R.

Question so resolved in the affirmative.

Original question put and resolved in the negative.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—Before calling on the Orders of the Day I wish to refer to what seemed to me to be a veiled reflection upon the decision of the Chair on the point of order raised in reference to the motion submitted by the honorable member for Kalgoorlie (Mr. Mahon) in the course of a speech just delivered by the Prime Minister. Such remarks, I think, should not be made, if so intended, as their effect is to place the Speaker in a very undesirable position. The decision which I gave on the point of order raised was in accordance with decisions given by previous Speakers of this House, and is supported by rulings given in the House of Commons by Mr. Speaker Denison, and Mr. Speaker Brand, as follows:—

An honorable member who seeks to move the adjournment of the House is bound to state to the House the definite matter of urgent public importance which he desires to bring on. It is not for the Speaker to say whether the matter is of urgent public importance. The honorable member states this upon his own responsibility.

A member desiring to move the adjournment of the House must produce a written notice setting forth the matter of urgent public importance to which he alludes. It is for the House to judge of the urgency and public importance of the matter by forty members rising in support.

My decision, therefore, was in accordance with our own practice, and the practice laid down by Speakers of the House of Commons. It is also to be remembered

that it is the duty of the Chair to preserve the rights of honorable members, no matter on what side of the House they may sit. If it is desired to alter the practice of the House in connexion with special adjournment motions, the proper course is to amend the Standing Orders. As matters stand, however, the onus is upon the House—and the fact that at least five other members must rise to signify their opinion that the matter proposed to be discussed is one of “urgent public importance” is in itself *prima facie* evidence that the Speaker is not expected to be the judge of that point. Were it otherwise it is certain that the Speaker might on every occasion of a special adjournment being moved find himself involved in conflict with members on either side of the House. It was to avoid this that provision was made in the Standing Orders for a certain number of members to signify approval before such a motion could be moved.

Mr. FOWLER.—I wish to make a personal explanation in regard to the vote I have just given. I want to say that I am totally opposed to the motion of the honorable member for Kalgoorlie (Mr. Mahon), but I am equally opposed to the rather crude idea of throttling discussion of this kind by the application of brute force.

Mr. SPEAKER.—Order! The honorable member is not making a personal explanation.

Mr. FOWLER.—I wished to have the opportunity of replying to some of the arguments of the honorable member for Kalgoorlie.

Mr. SPEAKER.—Order! The honorable member knows well that he is not in order in doing so under cover of a personal explanation.

AIR NAVIGATION BILL.

Bill received by the Senate, and (on motion by Sir GRANVILLE RYRIE) read a first time.

ELECTORAL (WAR-TIME)
-REPEAL BILL.

Bill presented by Mr. POYNTON, and read a first time.

Mr. POYNTON (Grey—Minister for Home and Territories) [12.3].—I ask for

leave to move the second reading of this Bill.

Mr. TUDOR.—If the purpose of the Bill is to repeal the measure which disfranchised persons of alien birth I have no objection.

Mr. BRENNAN.—I object. After the application of the “gag” there can be no gracious permissions given.

ESTIMATES 1920-21.

DEPARTMENT OF HOME AND TERRITORIES.

Divisions 44 to 55, £928,175.

The CHAIRMAN (Hon. J. M. Chanter).—I draw the attention of honorable members to a clerical error in the item “Purchase of house for Government Geologist, Darwin.” The item should read “Purchase of house from the Government Geologist, Darwin.”

Mr. TUDOR (Yarra) [12.9].—As the Minister (Mr. Poynton) knows, I have interviewed him on several occasions in connexion with the recent Ballarat election. First of all I approached him in regard to the payment of the legal expenses incurred by both parties to the appeal case heard by Mr. Justice Isaacs, and subsequently the Minister placed on the Estimates a sum of £800 to cover those expenses, both candidates having, I understand, agreed upon a certain amount which would cover their costs. This step I regard as only fair, in view of the decision of Mr. Justice Isaacs that the election must be declared void on account of errors made by the officials of the Electoral Department, but if it was right for Mr. Kerby, who was only elected by a majority of one vote, to draw his salary from the date of the first election until the election was declared void, I contend that the present honorable member for Ballarat (Mr. McGrath) should also receive payment for the period between the first election and the upsetting of that election. I hope the Minister will give consideration to the matter.

Mr. BLUNDELL.—Would the honorable member agree to make his principle retrospective, and apply it, for instance, to the case of the dependants of Mr. Crosby, who was placed in a somewhat similar position in respect to a Senate election held in 1906?

Mr. TUDOR.—The honorable member is asking me to go back a long way. There have been other disputed elections in the case of the Riverina, Melbourne, and Echuca divisions, but I do not think they were declared void on account of official errors.

Mr. JOWETT (Grampians) [12.14].—There are two matters in connexion with the Electoral Office to which I should like to draw brief attention. The first is the question of obtaining uniform rolls in State and Commonwealth elections. Recent events have revealed most extraordinary discrepancies between the rolls on which Commonwealth elections are held, and those upon which State elections are held. In reply to a question put by me the other day to the Minister for Home and Territories (Mr. Poynton), I ascertained that the officers of his Department are doing their best to bring about a system of uniform rolls.

Mr. CONSIDINE.—I desire to draw attention to the state of the Committee. [*Quorum formed.*]

Mr. JOWETT.—I was glad to learn from a reply given by the Minister to a question put by me that he is taking all possible steps, by negotiations with State authorities, to secure uniformity in the compilation of Commonwealth and State rolls, and I shall be glad if before this debate is closed he will give us any further information he may have as to the result of his efforts.

Every one desires that the electoral rolls should be as nearly as possible correct, so that every person entitled to vote should be enrolled, and that no name should be on more than one roll. Recent investigations, however, have disclosed a certain amount of duplication. I do not think that any elector desires to have his name on two rolls; but duplication gives opportunity for personation.

Mr. JAMES PAGE.—The Chief Electoral Officer says that with the card system it is impossible for a name to be on two rolls at once.

Mr. POYNTON.—The matter is receiving careful consideration by the Department, and if I am here next year, I shall, in all probability, have to introduce an amending Electoral Bill.

Mr. JOWETT.—The Minister's remark justifies what I have said, and as a practical way of preventing the duplication of enrolment I suggest that when a person applies for an original enrolment, or his or her age makes it obvious that he or she was entitled to enrolment earlier, the question should be put: "On what roll were you previously enrolled"?

Mr. JAMES PAGE.—That question is asked.

Mr. JOWETT.—A person is asked whether his name is already on a roll or not.

Mr. JAMES PAGE.—An applicant for enrolment is asked whether he is already enrolled, and, if so, for what division; and he is also asked where he came from.

Mr. JOWETT.—And are his statements investigated?

Mr. GREGORY.—Only after the name has been put on the new roll.

Mr. JOWETT.—Investigation should take place before the new enrolment.

Mr. POYNTON.—I assure the honorable member that I shall go thoroughly into the matter.

Mr. JOWETT.—I am glad to know that, because I think that there is a weak spot in the present system.

Mr. JAMES PAGE (Maranoa) [12.22].—The Electoral Department still follows the silly practice of hanging electoral rolls outside public offices in townships, and asking the people to consult them to ascertain whether they are enrolled. In many cases electors do this and find that they are properly enrolled, only to discover on election day that some one has subsequently had their names taken off the roll. I understand that the rolls are printed every month, and I think that new rolls should be exhibited every month.

Once a person is enrolled for a Federal division, it is almost impossible for his name to get off the roll. In the old days, the trouble was to get a name on the roll. In the Queensland bush there was always a bunch of magistrates, composed mostly of squatters, who needed only an excuse to take a name off a roll. The elector might get it on again, but, in the meantime, he might be prevented from voting at an election. When a man applies for Federal enrolment, he has to state on what roll his name already appears, and

if he declares that he is not enrolled, he is asked where he came from. Then a search is made in the head office of the State from which he said he came, to ascertain whether he is enrolled for any division in that State, and until the matter is satisfactorily settled, his name is not put on the roll for the division to which he has moved. He retains, however, the right to vote in any division for which he may have been previously enrolled. The electoral administration of the Commonwealth is almost perfect, and reflects great credit on the officers of the Department, and particularly on the Central Branch. It seems to me that, with a view to lessening public expenditure, the Commonwealth and the States could come to an arrangement for the uniform compilation of electoral rolls. Tasmania set a good example by combining her State rolls with the Commonwealth rolls years ago, and a similar arrangement should suit the other States. I think that were the matter pushed a little by the Commonwealth the States would accept uniformity. The Minister has said that he is sending the Chief Electoral Officer to the various States to try to bring about uniformity.

Mr. POYNTON.—Only last week there was a conference in Adelaide, and I understand from the Chief Electoral Officer that practically every point in dispute was settled so far as South Australia is concerned, so that there should be a combined Federal and State roll for use at the forthcoming State election. I intend to send the Chief Electoral Officer to all the States.

Mr. JAMES PAGE.—The honorable member for Herbert (Mr. Bamford) has objected that the franchise should be the same in all the States, but uniformity in the compilation of the rolls can be secured even though there may be differences between Commonwealth and State franchises. The printing of "S" or "F" after a name on a roll would show whether the enrolment were for the State or for the Commonwealth.

Mr. POYNTON.—The Commonwealth Electoral Officer is quite satisfied that there need be no complications—that everything can be made quite simple.

Mr. JAMES PAGE.—Then all that is needed is for some one to give the thing a push.

Mr. LAZZARINI.—There is a State prejudice to overcome.

Mr. JAMES PAGE.—I do not think that that amounts to much. The combined rolls would be cleaner and better than the present State rolls. The recent Queensland election showed that there are more persons on the Queensland State rolls than on the Queensland Federal rolls.

Mr. POYNTON.—Nearly 69,000 more.

Mr. JAMES PAGE.—Then either the Queensland State rolls are inflated, or the Commonwealth rolls are deflated.

Mr. POYNTON.—In Queensland it is difficult to get a name taken off the roll when an elector moves from one place to another. Thus a name can be on two rolls.

Mr. JOWETT.—And when a name is on two rolls it sometimes happens that personation takes place.

Sir GRANVILLE RYRIE.—I have known votes to be cast in the names of men who had been dead for six months.

Mr. JAMES PAGE.—I am glad to know that the Minister (Mr. Poynton) is sending the Chief Electoral Officer to Queensland, and I hope that from the visit we shall have some satisfactory results. The honorable member for Werriwa (Mr. Lazzarini) is quite right when he suggests that there may be State prejudices in this connexion, seeing that a number of State public servants may lose their lucrative positions if the Commonwealth take over the work.

Mr. JOWETT.—Could not a number of State public servants be absorbed?

Mr. JAMES PAGE.—One of the staffs will have to go, and I can scarcely fancy it will be the Commonwealth staff. We are told by the Minister, however, that he has found no insurmountable difficulties, and that being so, some definite steps should be taken in the direction I have suggested. This is highly desirable, if only on the ground of economy, for some hundreds of thousands of pounds could, no doubt, be saved in the three years. In passing, I desire to compliment the Minister (Mr. Poynton) on the assurance given him by the sub-Leader of the Country party (Mr. Jowett) that he will occupy his position next year; that ought to be very welcome information, and, in any case, comes as a suitable sort of Christmas box.

I must say a word or two about the Ballarat election, and the expense to which each of the candidates was put in subsequent proceedings. In the first case

of the kind we had, when it was a matter between the honorable member for Melbourne (Dr. Maloney) and Sir Malcolm McEacharn, the whole of the expense was borne by the Commonwealth.

Mr. POYNTON.—A sum of £800 is on the Estimates, under the heading "Miscellaneous"; this is to re-imburse the legal and other expenses incurred by the candidates at the last Ballarat election.

Mr. JAMES PAGE.—We must not forget, as the Minister has suggested, that there are other expenses besides legal expenses, and, since the investigations were rendered necessary through the fault of officials, both candidates ought to be recompensed. The honorable member for Ballarat (Mr. McGrath) is in a much more unfavorable position than Mr. Kerby, considering that the latter was drawing the parliamentary allowance all the time, while the present representative of the seat, without any salary, was strenuously engaged in seeking justice. We must remember that the majority by which the present member was returned at the second election shows that he was the desire of the constituency.

Mr. POYNTON.—Which position would the honorable member rather have—that of the present honorable member for Ballarat (Mr. McGrath) or that of the other man?

Mr. JAMES PAGE.—That is a question which does not call for any personal answer from me; but the honorable member for Ballarat was put to much trouble, expense, and worry in fighting the case, which was the result of no fault of his own. In view of what was done some years ago in the case of the Melbourne seat, I think the least the Government can do is to pay the expenses of the Ballarat candidates.

I must again ask the Government to do what they can to secure uniformity in the electoral rolls. In the case of the Commonwealth, the services of postmen are enlisted to collect the names for the rolls.

Mr. POYNTON.—In the capital cities the postmen are paid so much per 100 names; but up to the present there has been another arrangement as regards the country.

Mr. JAMES PAGE.—The arrangements in the country would appear to result in some cases in a man driving 50 or 60 miles only to find that he is not on the roll.

Mr. POYNTON.—I have recently agreed to an arrangement under which Registrars in the country will be paid in the same way as are the postmen in the metropolitan areas. In this way we hope to secure a more perfect roll than under the present arrangement.

Mr. JAMES PAGE.—I am glad to know that the Minister has done even that little; it shows, at any rate, that he wishes to keep the rolls clean, and not have them unduly inflated. The honorable gentleman ought to keep in mind the suggestion about exhibiting the rolls outside post-offices. In places, on the advice of local newspapers, people have seen that their names were on the rolls, only to find, when they went to vote, that in the meantime they had been struck off.

Mr. BAMFORD.—In such case, if the party makes a declaration, he gets a vote.

Mr. JAMES PAGE.—Not in the case of small country districts, and in my own electorate hundreds have been refused, although some of them were born there, and have never been away.

Mr. JOWETT.—I know the case of a man whose name was improperly removed from the roll, and who was refused by the presiding officer permission to vote.

Mr. JAMES PAGE.—There are many such cases, but they are all in the smaller country places. If we fine a man for not seeing that his name is on the roll, we ought to fine the official who improperly removes a name.

Mr. POYNTON.—I have already explained that we have made the same arrangements for the country as for the metropolitan areas.

Mr. JAMES PAGE.—I am not finding fault with the Department; I think that the method of getting people on the roll, and so forth, is almost perfect so far as the officials are concerned; and all that is required is the help of the public. There should be every facility for getting on the roll, because it is apt to give rise to bitterness if a man drives his wife and family, and other voters, possibly 60 miles, only to find that it is impossible to exercise the franchise.

Mr. JACKSON (Bass) [12.41].—I support the view taken by the honorable member for Grampians (Mr. Jowett) and the honorable member for Maranoa (Mr. James Page). I am pleased to note that Tasmania is the first State to adopt

the Federal roll. Last year the Tasmanian Government paid the Federal Government £1,277 as her share of the electoral administration, whereas, in 1915—the nearest year for which I can find any figures—the cost of electoral administration to the State was £3,519. This shows a direct saving of practically 50 per cent. in the cost of administration. In 1918-19 South Australia spent £4,801 on electoral administration, exclusive of £9,051 for contingencies; the latter I take to mean the election expenses. In Queensland the expenses of administration were £2,541, and in Victoria £15,161, but there are no details given of the latter figures. We have, therefore, to make an estimate as to the proportion that the administrative expenses bear to the election expenses. In regard to Western Australia there is no information given, the amounts being shown under the Estimates for the Crown Law Department, with no details. If we assume that the Electoral Departments of the various States spend £30,000 a year in administration, that does not seem excessive, and, further, assuming that Tasmania by her recent arrangement is saving 50 per cent., we may take it that £15,000 per annum would be saved by the co-ordination of the Departments. However, more important than even this saving is an assurance that every man and woman entitled to the franchise shall be on the roll. In the case of the Commonwealth, with compulsory enrolment, any failure must be entirely the fault of the elector concerned, if that elector has failed to send in a card. In the recent State elections in Victoria thousands of people were disfranchised through the inefficiency of the Electoral Department; but I cannot say whether that inefficiency was on the part of the police or on the part of the departmental officials.

The proposal for one electoral roll naturally gives rise to the question of electoral divisions. In Tasmania all the State divisions are the same as the Federal divisions; and we have the Hare-Clarke system of proportional voting, which is the most equitable in operation in Australia to-day.

Mr. WISE.—It gets you nowhere.

Mr. JACKSON.—It gets you there every time. The point I wish to make is

that the States which have single electorates are going to have some little difficulty, because many of the Federal divisions overlap the State divisions. In order to bring about a thoroughly sane and effective system, it will be necessary to re-adjust the divisions for the State Parliament. I hope that this will soon be done.

In connexion with the Estimates relating to the Meteorological Department, I should like to ask whether it is proposed to spend any more money on the Balsillie rain-making experiments. So far, the results do not appear to have justified the expenditure.

Mr. POYNTON.—The expenditure in respect of these experiments is provided for in the Estimates relating to the Department of Works and Railways.

Mr. JACKSON.—I regard the general expenditure of the Meteorological Department as being very necessary. Having regard to our extensive coastline, the warnings issued from time to time by the Department probably avert much loss of shipping, and so save the Commonwealth thousands of pounds. We have on these Estimates a total proposed expenditure of £93,000 for rental of buildings used by the various Departments. Is there no possibility of centralizing many of these offices? At the present time they are scattered all over the city, and it seems to me that not only would the convenience of the public be studied, but a saving might be effected by renting large premises in which these offices could be centralized.

Another item to which I desire to draw attention relates to the administration of the Northern Territory, for which we have a proposed vote of £104,440. I do not object to expenditure provided some return can be obtained for it, and if it is impossible to reduce the cost of administering the Territory, we should at least make some effort to increase production, and so to increase the revenue. This item is a growing and most unsatisfactory one. The Territory, however, is a very valuable asset. I regard it as the key to our White Australia policy, and if we are to keep Australia white we must develop it.

Mr. RYAN (West Sydney) [12.50].—Since we are taking the Estimates of each Department *in globo*, I think it would be desirable if the Minister in charge of each Department would make a speech at

the outset, explaining the difference between the estimated expenditure for this year and the actual expenditure for last year. I notice that we have here in these Estimates an increased expenditure of £281,133.

Mr. POYNTON.—I can give the honorable member a few items which more than account for the difference. For instance, there is an item of £52,000 representing payments made to the Postmaster-General's Department for the transmission of meteorological telegrams. That is a mere transfer from one Department to another. Provision is also made for an expenditure of £150,000 on the census. That item did not appear in last year's Estimates. There is also an item of £100,000 for immigration, although immigration matters will be dealt with by the Prime Minister's Department. It will thus be seen that the expenditure for which we provide is actually below that of last year.

Mr. RYAN.—I hope the Minister does not misunderstand me. I merely suggest that it would be of great assistance to honorable members if, instead of the whole vote for a Department being put without any explanation, the Minister in each case would adopt the practice of moving the total vote and explaining the difference between the estimated expenditure for the current year and the actual expenditure for last year.

Mr. POYNTON.—The expenditure for which we provide in the Estimates for my Department this year is actually £65,000 less than the expenditure of last year.

Mr. RYAN.—Such an alteration as I suggest in the practice adopted by Ministers would do away with a good deal of misapprehension and give honorable members a clearer view before we entered upon the discussion. The Minister, indeed, might furnish us with information which a mere examination of the figures would not disclose. The honorable gentleman, I think, will admit that it is impossible to say from the figures that are before us exactly where an increase or a decrease takes place. So much for the question of practice.

A good deal has been said with regard to uniform rolls. I approve of the idea, provided, of course, that the rolls compiled by the Commonwealth would be complete. Shortly put, we want to have

it made easy to get on the rolls and difficult to get off. There are many instances where persons get their names on the rolls, and when they go to vote find that for some reason or other their names have been removed.

Mr. POYNTON.—It is quite evident that that does not occur in Queensland.

Mr. RYAN.—Why so?

Mr. POYNTON.—Because on the Queensland State rolls there are over 60,000 names in excess of those on the Commonwealth rolls for that State.

Mr. RYAN.—I do not know what the respective numbers are, but it may be that many citizens of Queensland are not on the Commonwealth rolls. At least a large number of people in that State have not their names on the Commonwealth rolls. What is the qualification for enrolment?

Mr. McGRATH.—Residence for one month in the subdivision.

Mr. RYAN.—It is somewhat different from the Queensland practice. The principle of the Queensland Electoral Act is that every adult person in the State shall have a right to vote.

Mr. POYNTON.—Some critics say that there are more names on the Queensland State rolls than there are adults in that State.

Mr. RYAN.—That is mere political misrepresentation. We all know that such statements are made, and made only to reflect upon the administration of the Department concerned. We do not want to get down to that sort of thing here. It is all very well for Ministerial supporters to make such statements outside. The Minister for the Navy (Mr. Laird Smith), for instance, might make such a statement in Hobart, where there was no means of checking it; but in this House the position is entirely different. If the Queensland State electoral machinery is carried out, no adult can be on two State rolls, and no one can be on a State roll unless he is entitled to vote.

I propose now to refer to the appointment of a gentleman named Barnes—not an Australian native—to go to the Old Country as a Commonwealth Immigration agent. I believe that the real purpose of the Government in sending him there is that he shall carry on for them an anti-unionist propaganda. That will not commend itself to the great body of

the workers of this country. I should like to know whether Mr. Barnes has yet left for England?

Mr. POYNTON.—I understand that he has. Immigration is now dealt with by the Prime Minister's Department.

Mr. RYAN.—But I understood that the Minister dealt with immigration.

Mr. POYNTON.—No; I have nothing to do with it. After the item of £100,000 in respect of immigration was included in my Estimates, other arrangements were made.

Mr. RYAN.—Then the Immigration branch has been transferred to the Prime Minister's Department.

Mr. POYNTON.—It will be transferred back to that Department.

Mr. RYAN.—Why should not the Minister for Home and Territories be in charge of it? I wish to know why Mr. Barnes has been sent away to carry on the propaganda work to which I have referred. I have been reading the newspapers, and I notice that there is a frank admission that he is going to carry on some sort of propaganda which certainly will not be in favour of this party, nor one that will commend itself to the great body of unionists in Australia. It is very important that the Government should be impartial, and have regard to what are the aspirations and desires of the workers of this country in making such an appointment. They have made an appointment which does not commend itself to the workers; and particularly to the unionists, and I hope that they will take some steps to minimize the party propaganda which this gentleman has been sent away to carry out.

Mr. POYNTON.—What is Mr. Barnes' chief offence?

Mr. RYAN.—The honorable gentleman ought to know.

Mr. POYNTON.—He stood by his country, did he not?

Mr. RYAN.—Is it the honorable member's idea of "standing by his country" to go back on unionism, to go back on organized labour, to go about the country carrying on a propaganda of falsehood? Mr. Barnes goes on the public platforms of this country, and in the statements he makes has no regard for the truth. He makes absolutely foundationless statements.

Sir JOSEPH COOK.—I have heard that said of the honorable member.

Mr. RYAN.—Probably the right honorable member has made the statement himself; but there is no foundation for it.

Sir JOSEPH COOK.—I have not made the statement, but there are plenty of grounds for making it.

Mr. RYAN.—That statement is very offensive to me, Mr. Chairman, and I ask that the right honorable gentleman be called upon to withdraw it.

The CHAIRMAN (Hon. J. M. Chanter).—The Minister will withdraw the statement.

Sir JOSEPH COOK.—The honorable member is very thin-skinned. I meant nothing more than to indicate that the honorable member, when on the public platform, makes quite a number of politically incorrect statements.

The CHAIRMAN.—Order!

Mr. RYAN.—That must be withdrawn.

Sir JOSEPH COOK.—If it is offensive to say that the honorable gentleman makes incorrect statements, I withdraw it.

Mr. RYAN.—I should think so.

Sitting suspended from 1 to 2.15 p.m.

Mr. ANSTEY (Bourke) [2.15].—The Ballarat election dispute differed entirely from other election disputes in quite a number of aspects. For one thing, Mr. Kerby lost his seat for nothing that he had done himself, but because persons who were entitled to vote were prohibited from making the necessary declarations which would have enabled them to do so, and were thus deprived of the opportunity of voting. Again, all other disputes were decided very rapidly, but the Ballarat appeal was prolonged for several months, and as a result the honorable member who eventually won the seat lost several hundred pounds, which otherwise he might have drawn in the way of salary. Furthermore, while the appellant was quite prepared to leave his case in the hands of his secretary, the Bench decided that he must be represented by counsel, the consequence being that whatever allowance the Government may make for legal expenses incurred before the tribunal is all swallowed up in the payment of the fees of a legal practitioner. Nothing is left for the layman who prepared the case, and who, in fact, having handled it for months, was ready to take it before His Honour Mr. Justice Isaacs. On all these grounds, because the second

election was declared necessary owing to faults on the part of the officials of the Electoral Office, because neither candidate indulged in any improper practices, because the hearing of the appeal was unduly prolonged, and because the layman who was prepared to handle the case for the appellant gets nothing out of the costs for which an allowance has already been made, the Minister (Mr. Poynton) might fairly give consideration to the granting of direct compensation to the honorable member for Ballarat (Mr. McGrath). Particularly ought he to do this because in previous cases sums of money have been paid as compensation, quite apart from the actual legal costs incurred in the hearing of appeals. In this case the employment of counsel was forced upon the candidates against their will. So that compensation ought to be paid to them apart from the legal expenses which were incurred through no fault of their own. If the Minister cannot deal with the matter himself, I ask him to submit it to his colleagues, and see whether in the circumstances something cannot be done to accede to the request put forward by the Leader of the Opposition (Mr. Tudor) on behalf of the honorable member for Ballarat (Mr. McGrath).

Mr. POYNTON.—I shall do so.

Mr. BRUCE (Flinders) [2.19].—It is certainly time the Minister (Mr. Poynton), on behalf of the Government, gave some indication of what is proposed to be done in connexion with the Northern Territory. We ought to know whether the present system of management is to continue, and also the present expenditure. For instance, these Estimates provide for the payment of £1,250 salary, and £200 allowance for an Administrator, £1,000 for a Judge, £1,000 for a Director, and £700 for a Secretary. In this provision for so many officials there seems to be a skeleton outline for the administration not of a sparsely-populated territory, but of a settled and well-populated country. There are fourteen sub-branches in the Northern Territory Administration, and it is well worth putting on record what they are, so that honorable members may have some idea of what is being done in the Territory to-day. These fourteen sub-branches are—Aborigines, Agriculture, Botanical Gardens, Police, Gaol, Charitable Institutions, Health, Law, Stock

and Brands, Education, Public Works, Lands and Surveys, Mining, and Hotels.

Mr. POYNTON.—Which sub-branch would the honorable member cut out? Would he propose to cut out Police, or Gaols, or Health?

Mr. BRUCE.—The Minister is adopting tactics which have been tried previously, and it is rather surprising to me that some one whose duty it is, to "strafe" Ministries has not already taken them to task over it. If in my business affairs there is obviously something going wrong, I do not attend a shareholders' meeting, put the position before the shareholders, and when a critic rises and points out where I am wrong, simply answer him by saying, "What would you do?"

Mr. POYNTON.—I think it is a very pertinent question to ask which sub-branch the honorable member would abolish.

Mr. BRUCE.—I agree that on the face of it the retort of the Minister was rather brilliant; but as a matter of fact it will not hold water for one second. It is not the unfortunate outsider's business to tell the Minister how he is to do his job; but the position is that if the Minister cannot do it some one else ought to do it for him.

Mr. POYNTON.—You can have my position to-morrow if you wish it.

Mr. RYAN.—The physician prescribes only when he is called in.

Sir JOSEPH COOK.—What, another coalition?

Mr. BRUCE.—I think it would be a very effective coalition, but at the present moment I am not proposing such a thing. My object in calling attention to this expenditure is to point out that eventually we may run into trouble, but the best the Minister can say in reply is, "What would you do?" When I have concluded my remarks the Minister can demonstrate by giving the facts that a very obvious criticism is not justified, but it is no help to the Committee to merely suggest to any one who criticises the Northern Territory vote that everything is perfect, and ask, "What could any one do?" I do not think the Minister would suggest that the Northern Territory administration has been perfect. My object in rising was to get from the Minister before these Estimates drift through, some indication

which will at least reassure the Committee that the expenditure is receiving his consideration, and that he proposes to work down to some definite line.

Sir JOSEPH COOK.—Ministers have been endeavouring to do so for the last ten years. Any suggestion is very helpful.

Mr. BRUCE.—There is always hope that some one will come along with intelligence to indicate how something can be done; but when I rose for the purpose of making a few innocent remarks about the Northern Territory, and to ask whether the Minister would make any definite statement in regard to the administration there, his attitude was such as to drive me into the position of becoming a hostile critic, and almost to become more and more hostile every minute, in order to maintain my position. There was no necessity for this. The only point I am raising now is whether the Government have anything in mind as to how the Territory can be dealt with. I want to know if they have any definite scheme which they propose to put into effect. If it be recognised, as it should be, that we have the northern part of Australia to populate, and if we are to make the fullest use of that portion of the Commonwealth, it seems to me that it is the obvious duty of any Government to tell us what their scheme is. If, however, they are barren of any ideas of the sort, it is the duty of the Committee to demand from them how they propose to run the Territory, on the present lines, but with a very much decreased expenditure. To return to the point which I was endeavouring to make when the Minister interrupted, let me tell the Committee that there are 140 officers in the Northern Territory drawing over £46,000 in salaries, and spending £60,000 on contingencies. Apart from the cost of the Departments I have mentioned, and £119,000 for interest and sinking fund, provision is made in other parts of these Estimates for further expenditure in the Northern Territory. For instance, the Trade and Customs Department at Darwin costs £1,370; the Railway Department, £40,000; and the Post Office service, £28,000.

It seems to me that there must be something wrong if we cannot administer this Territory in a more economical way. I recognise that in the future state of development it is quite likely that the

cost of administration might be considerable, but the present state of the Territory's development does not justify the amount we are now spending upon it. Before these Estimates are agreed to, I hope the Minister will give the Committee some idea as to the Government's proposals in this regard.

With regard to the Ballarat election, it appears to me that the two candidates have been put to considerable expenditure for a reason that no one can suggest was their own fault, and I certainly think they are entitled to be reimbursed for any additional expenditure they have been put to, which is expenditure that was not cast upon other candidates at the recent general election.

Mr. POYNTON.—A sum of £800 has been provided on the Estimates to meet those expenses.

Mr. CONSIDINE (Barrier) [2.27].—I have received a letter from an Italian resident of Sydney informing me that he has tried to bring his wife to Australia. He has been working in this country a number of years, and his letter contains the following:—

A few days ago I went to the Immigration Office in order to nominate my wife. After being told that it would have cost me £26 from Naples to Sydney, the officer in charge asked me then whether she was able to speak English. I answered that I knew enough for the two of us. He told me then that a regulation, recently passed by the Minister for Home and Territories, requires that an emigrant must know a little English before he or she embarks; not only that, but the form which he handed me (he stated) after being filled in will have to be sent to the above-mentioned Minister for approval. What sort of a barbarian law is that?

He wants to know what sort of a barbarian law that is?

Mr. HECTOR LAMOND.—He would find one very much like it in Italy.

Mr. CONSIDINE.—I do not know that he would find very much difference between Italy and Australia in that respect.

Mr. POYNTON.—I have heard some complaints from Broken Hill miners about bringing men out to Australia who could not speak English.

Mr. CONSIDINE.—Yes; that was when the Government sent interned Bulgarians up to Broken Hill to take the jobs of the Britishers they were recruiting. It is no wonder the residents there squealed.

Mr. POYNTON.—Long before that, the miners in Western Australia complained.

Mr. CONSIDINE.—I do not know that the Minister's interjection is a very logical reply to the complaint of this Italian who has been working here, and seeks to have his wife join him in Australia, but is precluded from doing so by this regulation made by the Minister. If it is desired to increase the population of the country, surely a good way of doing so is to enable persons who have come here to send for the members of their families to join them. The man to whom I have referred is apparently a law-abiding citizen, because he has resided here for several years. What objection can there be to his wife joining him, even though she may not be able to speak English? She could learn very quickly if living in this community.

Mr. POYNTON.—The regulation you speak of has not come under my notice. I shall inquire about it.

Mr. CONSIDINE.—I am only giving to the Committee the statement that has been made to me. It may not be correct, or the departmental officials may have made a mistake.

By the midday mail I received from Sydney a letter in which the writer, an Englishman, and an ex-member of the Australian Imperial Force, complains in quite a number of pages of his treatment since his discharge. He is so angry about it that he has written to the Demobilized Sailors and Soldiers Federation of the United Kingdom a letter in which he gives Australia anything but a good advertisement, pointing out that a number of ex-sailors and soldiers in Sydney are having a bad time. He has sent me a copy of that letter, and in it he says—

This Repatriation Department was organized to benefit returned soldiers, and to place them in a condition to work, and get them work. How they do it! They supply the ex-Australian Imperial Force men with letters to the Orient liners manager here for him to give the bearers a working passage to England, and thereby help the good work of repatriation along. Many avail themselves of the offer, glad to leave, while the Orient Line take advantage of their misfortune, and obtain their services at 1s. per month, while we British seamen, with good books, are stranded. The shipping office in the port of Sydney do the same.

He asks the Federation to publish his letter in as many newspapers as possible, to warn ex-service men from coming to

Australia. This is another passage from his letter to the Federation—

If my statement proves correct, hold it up, and let their office staff unload them. One of the clique (the Minister of Repatriation Millen) now on his way to Europe to represent this Commonwealth at the League of Nations, and encourage immigration. To do this the country will be pictured in the most glowing colours.

After referring to the last loan, he says—

I joined a union to obtain bread and scrape three months since, paying £3, and cannot get work. Therefore, I advise all returned men to be warned through their organization (Demobilized Sailors and Soldiers Federation, United Kingdom) of things as they have been pictured here by one of themselves.

Evidently he is not prejudiced in favour of unions.

Mr. HECTOR LAMOND.—He is not the kind of man whose complaints a unionist should ventilate without investigation.

Mr. CONSIDINE.—I do not consider the honorable member capable of judging that matter.

The CHAIRMAN (Hon. J. M. Chanter).—How does the honorable member connect his remarks with the Home and Territories Department?

Mr. CONSIDINE.—I am showing how the expenditure of £100,000 on immigration may be rendered ineffective by mal-administration.

The CHAIRMAN.—Would it not be better to discuss this matter on the Repatriation Estimates?

Mr. CONSIDINE.—I understand that Senator Millen has gone to Great Britain to, among other things, encourage ex-service men to come to Australia.

Mr. RODGERS.—What the honorable member complained of is not done by the Repatriation Department as part of the work of repatriation.

Mr. CONSIDINE.—Is it not done by the Department?

Mr. RODGERS.—I cannot say, but if the honorable member will give me the particulars of this case I shall inquire into it, and let him know the result.

Mr. CONSIDINE.—This man says that the officials of the Repatriation Department in Sydney are giving ex-soldiers letters to the Orient Company's manager, so that they may obtain cheap passages to the Old Country.

Mr. RODGERS.—We undertake to secure employment in Australia for all returned sailors and soldiers who desire it, and have practically completed that branch of our work. Within a few months there

will be hardly any names on our lists. Should a man choose to leave Australia, that is not our business. If the honorable member will give me this man's name, I undertake to find him work within three days.

Mr. CONSIDINE.—His name is W. H. Coulter, and he writes from Lidcombe Hospital, New South Wales.

Mr. RODGERS.—If he applies to the Deputy, I guarantee to find him suitable work within three days.

Mr. CONSIDINE.—I hope that the Minister will also ascertain whether his statements are true.

Sir JOSEPH COOK.—It will be found, when the facts are sifted, that those who get passages to England are assisted by the Department at their own request.

Mr. POYNTON.—I thought you said this man was unemployed.

Mr. CONSIDINE.—He is.

Mr. POYNTON.—The letter looks as if he was employed very much.

Mr. CONSIDINE.—The Government are giving these men employment in continually writing to honorable members.

Mr. POYNTON.—I do not know anything about this particular case, but quite recently a soldier who came here under similar conditions found that he could not work because of an injured arm, and applied to me to get him a passage Home. He desired to get back in order to look after his increased pension rights, and he thought he would do better amongst his friends than out here. I got him a free passage without any shilling-a-day business.

Mr. CONSIDINE.—This man says that he has three children in California, and that his wife is dead; and he congratulates himself on the latter fact, because otherwise she would be in as bad a position as he is. He mentions the various Government Departments to which he has applied for work, and by which he has been turned down. He points out that while the Department is finding fault with private employers for not giving work to soldiers, this and other Departments can find him nothing to do.

Mr. RODGERS.—If the honorable member will give me the particulars of this case I undertake, before the Estimates of my Department are reached, to have it sifted and attended to.

Sir JOSEPH COOK.—Will the honorable member undertake that this man will stop at a job if one is got for him?

Mr. CONSIDINE.—Most members are in receipt of a great number of similar communications, but I have not ventilated in the House all that have reached me. The present is a different case altogether; it is a case in which a man feels himself so badly treated that he has gone to the trouble of getting into touch with the official organization of the returned soldiers in Great Britain in order to prevent his mates from coming to Australia. His letter bears every impress of a truthful statement.

Mr. RODGERS.—What is he by occupation?

Mr. CONSIDINE.—I do not know. However, I am satisfied with the assurance that the matter will be looked into.

There is one other case which I desire to bring under the notice of the Minister. One of the Italian reservists was taken from Broken Hill. Whether he was killed or missing I do not know; but his wife, who is still in that city, has been deprived of the allowance which she received whilst the war was in progress. At present she is in receipt of a very small sum at distant intervals from the Italian Consul. She has written to me, and I would like the Department to look into the case and explain why the allowance has been cut off.

Mr. LAZZARINI (Werriwa) [2.50].—I wish to say a word or two in support of the argument of the Leader of the Opposition (Mr. Tudor) and other honorable members on the case of the honorable member for Ballarat (Mr. McGrath). The case is, I think, unique, so far as this Parliament is concerned. It has been clearly shown that it was through the gross carelessness of some of the departmental officers that the present member for Ballarat was deprived of his seat and remuneration for a number of months. Whatever was the cause of the trouble, it lay with the departmental officers, and I think it would be only fair if the honorable member were paid the full salary as from the date of the first election. It is the rule, I think, that if any member of the public suffers any disability through carelessness or mistakes in any Department he shall be allowed

compensation. The result of the second election has shown that the honorable member for Ballarat was justly entitled to the parliamentary remuneration from the beginning of the Parliament.

I was pleased to hear from the Minister (Mr. Poynton) this morning that he is taking steps towards the provision of a uniform roll for the States and the Commonwealth. A Federal election costs, I believe, about £80,000, and I suppose that in the same period a similar amount, or more, is spent by the different States. In my own electorate, at a recent State election, it was found that the ballot-boxes of the State had become damaged, and though there were Federal ballot-boxes which had been in use only a few months before in the same neighbourhood, new boxes had to be provided for the State election. Of course, the Minister cannot bring about this reform himself, because the State authorities have to be consulted, and must be willing to adopt it. I hope, however, that sweet reasonableness will prevail, and that we will very soon have one electoral roll and one method of enrolment. We have been told to-day that in the case of Queensland there are about 60,000 more names on the State rolls than on the Federal rolls, and the electoral officer of my own district told me the other day that the Federal roll there is much smaller than the State one, the latter having been issued later. I am quite satisfied that the State rolls of New South Wales show more names than do the Federal rolls, so that I was not surprised to hear of the state of affairs in Queensland. Every honorable member knows that when the names have been collected by the policemen, the people think that they are duly enrolled; but the two systems of collecting names are different. In the case of the States the police do the collecting, and the average person does not worry much about the matter, but is convinced that he is on the roll. In one part of my electorate 300 notices were issued recently asking the electors for reasons for their names not being on the roll. I understand that if the reasons given are good, only a nominal fine of 2s. 6d. is imposed. Out of the 300 persons involved, I think that all but two stated that they thought that the collecting of their names by the police officer meant

that they would be on the Federal roll. Apart from the economy of a uniform roll, much confusion would be avoided, and many people saved from worry. The average elector does not wish to keep his name off the roll, but is confused by the varying systems adopted. Even if we do have a uniform roll, something ought to be done in the way of a uniform method of collecting the names. I hope it is true that South Australia and Tasmania have consented to uniformity, and that the rest of the States will follow. We would then get a better expression of opinion at the ballot-box, and, altogether, conditions would be much improved for both Commonwealth and States.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [2.58].—There are two points on which I desire to say a word. One is the suggestion made that a sum of money shall be placed on the Estimates as a set-off to the loss of salary which the honorable member for Ballarat (Mr. McGrath) would have received had he been returned at the general election. The other question is that of a uniform electoral roll. As to the first matter my right honorable colleague (Sir Joseph Cook) has already informed honorable members that it is a matter which the House itself must decide; if the House is in favour of the suggestion, the Government will approve of it, and by placing an amount on the Supplementary Estimates pay it to the honorable member.

Mr. ANSTEY.—Do you want a vote on the question?

Mr. HUGHES.—Precisely how we are to do this thing I do not know, but, speaking for myself and for the Treasurer, I would say, if I were asked, that the honorable member for Ballarat has made out a *prima facie* case. The responsibility, however, must rest on the House—we must have the authority of the House—and we shall give honorable members an opportunity of expressing their opinion before the session closes.

We are all agreed, I think, as to the desirability of uniform electoral rolls; there is no question of party, or difference of opinion in that matter. I would only like to say that no blame attaches to the Commonwealth for this uniformity not having been effected sooner. We have done everything in our power,

and the Minister in charge of the Department (Mr. Poynton) informs me that considerable progress has been made, more in some States than in others, towards the end in view. But I think I shall not be doing any one an injustice when I say that the principal cause of the delay has been the vested interests of the officials in the various State offices, who imagine, I think quite wrongly, that this is a blow aimed at their prerogatives or possibly at their pockets. I may be doing them an injustice. If that is the case, I apologize to them. Uniform electoral rolls, however, are very desirable, and the Commonwealth, I repeat, has made very considerable progress in the matter. My honorable colleague informs me that he believes that in the case of one State at least the next elections will be held on a uniform roll.

Mr. POYNTON.—That is in South Australia.

Mr. HUGHES.—I am sure we shall have the support of all sections of the House in trying to bring about that uniformity.

I may, perhaps, be permitted at this stage to give the information which I promised last evening to supply as to the cost incurred in the case of *Merton v. Hughes*. The item on the Estimates is “£3,087,” that amount being set down for “expenses in America.” I have ascertained that the total expenditure, so far as we and our officers know, is £3,055 7s. 6d., London; and £3,400 6s. 10d., America. These are the total expenses, some of which have been paid, while in the case of others only the accounts have been rendered. I think that is the whole of the information. The item itself will be brought down, I presume, on the Supplementary Estimates, but the information is now in the possession of honorable members and of the public.

Mr. HECTOR LAMOND (Illawarra) [3.3].—I had hoped that the Prime Minister (Mr. Hughes) might have included in his statement some information in reply to the case put by the honorable member for Flinders (Mr. Bruce) with regard to the Northern Territory.

Mr. HUGHES.—I am sorry, but I did not hear it.

Mr. HECTOR LAMOND.—I think it is high time that this Parliament had placed before it some outline of the work contemplated over a term of years in the Northern Territory. During the war

things necessarily were allowed to drift. The Territory has been a very expensive acquisition to the Commonwealth, and yet there is every reason to believe that it is a very rich portion of Australia, and that under wise government, instead of being the heavy responsibility that it is to-day, it might be converted, if not immediately, at all events at a comparatively early date, into an asset. The information that one gets in regard to the Territory indicates that we have been inclined to pursue wrong lines in its administration. We are attempting to induce people to take up small settlements, which cannot be immediately profitable, whereas the policy indicated by the nature and the situation of the country is that we should, in the first place, encourage the pastoral industry, and give encouragement to prospecting, in the hope that some mining centres may be discovered, which would help to attract population, and so make the smaller industries eventually successful.

I hope before this session ends we may have from the Government a definite statement as to their intentions with regard to the future of the Territory. A strong man is needed as Administrator to control it. He should be given very wide powers, and should be judged by the results he produces, instead of being continually interfered with by the Central Administration, which cannot have the intimate knowledge of the conditions existing in the north that the man on the spot, provided that he be the right man, must have.

Mr. WIENHOLT (Moreton) [3.7].—There is a matter that I desire to bring under the notice of the Minister (Mr. Poynton) and the Committee, although I am not optimistic enough to think that it will receive the attention it deserves. On page 89 of the General Estimates there is a small but ominous item of nearly £1,000 for clearing the rifle range at Warwick of prickly pear. I imagine that an area of that sort would comprise from 300 to 500 acres. If it will cost £1,000 to clear such an area, only a very easy sum need be worked to show what it will cost to clear something like 20,000,000 acres of badly infested pear country in Queensland. In that way we shall get an idea of the enormous sum of money necessary to attempt anything like eradication of the pest.

Mr. BRENNAN.—Have we yet a solution of the prickly pear pest?

Mr. WIENHOLT.—Far from it. I do not intend to take up the time of the Committee by going deeply into the question, although I understand it, I believe, as well as most people do. But I want honorable members to realize that it is probably no exaggeration to say that one-third of the enormous area of Queensland is more or less directly threatened at the present moment. The pest will very shortly—one may say that it has already—become a menace in more than one State. The State Governments of Queensland right through have proved themselves quite unable to cope with it.

Mr. FOWLER.—Has any serious effort been made to cope with it?

Mr. WIENHOLT.—It is difficult to say what is and what is not a serious effort, but there is no royal road to clearing the country of the pest. It is not a mechanical question, but an economic one. Land can be easily cleared, but it is the cost of carrying out the work which has to be considered.

The present Government of Queensland—and I do not speak in any party sense—does not believe in the principle of freehold, and that is an additional difficulty in the way of the solution of the problem. I say quite openly that so far all our Governments in Queensland have proved themselves incapable of handling the question. To put it broadly, the complete eradication of prickly pear to-day is no longer practicable. We can abandon all ideas of eradication or of clearing the pear-infested country. We now have simply to consider what steps should be taken to prevent the further spread of the pest. It may be said that this is not a question for the Federal Parliament, but it will be admitted that if a fire breaks out in one of a row of houses, it becomes a very important matter for the occupiers of the remaining houses that that fire should be promptly extinguished. The Commonwealth is now the direct proprietor of a very large area with an extensive frontage to the Queensland border. With a clear understanding of the position, I do not hesitate to say that the pear is gradually eating up a very large portion of Queensland and becoming an absolute menace to the whole of Australia. I am convinced that sooner or later it

will be forced upon us that this is a huge national danger, and we shall have to face it as a national question. I ask the Government and the Committee to realize the danger, and I invite honorable members to consider whether we ought not now to prepare our minds for dealing with the subject, realizing that the prickly pear having become a national danger, must be treated on national lines.

Mr. McGRATH (Ballarat) [3.10].—I do not wish it to go out in connexion with what has been said regarding the election for Ballarat that any reflection was made by Mr. Justice Isaacs upon the permanent electoral officers of the division. He had some harsh things to say concerning certain officials, but as one of the candidates I desire to state that, so far as Mr. Anderson and the other permanent officials of the Department are concerned, no one could have carried out the work better than they did.

Mr. POYNTON.—Mr. Justice Isaacs complimented them.

Mr. McGRATH.—Yes; I wish to make that quite clear.

I should be glad if we could secure uniform rolls for State and Federal elections. In connexion with the recent State elections, it struck me as peculiar that the Commonwealth permanent officials for the Federal electorate of Ballarat had nothing to do, although they are trained men, while others who knew very little about electoral matters were brought in to conduct the State elections. Much greater satisfaction would be given if we had uniform rolls, and the permanent officials of the Commonwealth Department conducted both the State and Federal elections. They understand the law, and know exactly how to compile rolls, and to conduct an election. The reflections which Mr. Justice Isaacs cast upon electoral officials in connexion with the first Ballarat election related to men employed only for the day, who were not familiar with the Electoral Act. Certain persons whose names had been improperly removed from the rolls claimed the right to vote; but the presiding officers, in certain cases, knowing nothing of section 121 of the Act, refused to allow them to do so. That was practically responsible for the trouble which occurred. I repeat that the Electoral Department,

and particularly the chief of the Department in Ballarat, did their work in connexion with the Federal election there in a splendid manner.

If we desire to have a thoroughly satisfactory set of rolls, we should take care to have fewer subdivisions than at present. The State electorate of Ballarat West consists of two subdivisions. If persons remove from one side of Sturt-street to the other, they may still be in the same electorate, but in a different subdivision. Being unaware of the fact that they are in a different subdivision, they fail to get enrolled for it, and are either prosecuted for that failure, or find, when election time comes round, that they have no vote. The Department would be well-advised if it decided to have only one division for each State electorate.

Mr. POYNTON (Grey—Minister for Home and Territories) [3.14].—It is due to the Committee that I should make a statement with regard to the Northern Territory. Exception was taken to the interjection that I made, while an honorable member was speaking on the subject, "What would you suggest?"

Mr. RYAN.—We will let the honorable gentleman off, so far as that matter is concerned.

Mr. POYNTON.—But I do not wish it to be thought that I was treating the matter in a cavalier way. Reference was made to the number of officers employed in the Territory, and I may say that I have been going very carefully into the whole question, with the object of making a reduction. Unfortunately, there are not many people in the Territory, but a number of Departments are necessary. If we did not maintain a certain number of officials there it would be necessary to drag the citizens of the Territory down to the other States for the redress of their grievances. No greater problem confronts the Minister for Home and Territories than the administration of this Territory, where, I believe, we have a wonderful asset if it is properly handled. In my opinion it can be developed, not by following the lines of closer settlement, but only by adopting the more primitive method of stocking with cattle and sheep, which has been applied successfully in other parts of Australia that are now carrying large populations. In pursuance

of this policy we have been putting down a number of bores east and west from the Wave Hill district towards Camooweal, and boring should also be undertaken south towards the Macdonnell Ranges. The land is capable of growing excellent grasses and edible herbage, and produces a very fine class of stock, particularly in the central area. The doubt as to whether permanent water exists we are endeavouring to solve by means of these bores, and later on I propose to ask for the expenditure of a considerable sum of money in this direction. However, excellent results have been obtained so far. The average depth of the bores put down is 170 feet to 200 feet, and water of a very high character has been tapped. In No. 1 bore water was struck at a depth of 247 feet, and rose 170 feet in the bore. Pumping yields 32,000 gallons per day without reducing that level. In No. 2 bore water was struck at a depth of 180 feet, and the bore is capable of producing 32,000 gallons a day. At another bore a pumping test for twelve hours gave 29,000 gallons. On one pastoral station a number of bores have been put down, and an excellent supply of water was obtained at a very shallow depth, varying from 42 feet to a little over 60 feet. At one of these bores 500 head of cattle are watered.

My idea of developing the Northern Territory is to provide railway facilities in conjunction with the policy of boring for water, not on every block, but in certain localities, in order to demonstrate that a permanent supply is obtainable. Where these facilities are provided I am satisfied a wonderful development will follow. The Treasurer (Sir Joseph Cook) is not so confident as I am about this, but when we realize that we have a Territory 900 miles long by 600 miles wide we can see that it is not a little proposition capable of being administered by one or two men. The trouble is that all through, during the period of administration by the State of South Australia, and since the Commonwealth has taken over the Territory, we have been endeavouring to develop it from the Darwin end, which is the tropical portion of it. I do not think we shall succeed in any attempt to develop the Territory from the tropical end, but if it is once bridged by a railway I am satisfied that thousands

of people will settle there. The worst enemy of the country is the man who has never seen the locality, the man who would develop it from Bourke-street or King William-street; but here I have the testimony of a young fellow who went into the Macdonnell Ranges at seventeen years of age, and who, although not as well equipped as other men, through having a maimed foot, has, according to a letter he has forwarded to me, made an unqualified success of his efforts to develop the pastoral industry in the Northern Territory. He commenced as a lad, earning 30s. a week, gaining experience on stations, and after saving about £350 went to Western Australia, hoping to make his fortune there. Eventually he returned to the Macdonnell Ranges country, which is so much condemned by Melbourne newspapers and other critics. He writes as follows:—

I arrived back at Alice Springs about July, 1911, with £350 and a few horses. I then bought a few cattle, and joined in a partnership on a small cattle ranch. After fighting the ordinary difficulties one has outback, and all the inconveniences one has to contend with in the bush, I am pleased to state that my success has been such as to enable me to invest the sum of £7,000 cash in a ranch in the same district, with the ultimate prospect of being able to pay off the £12,000 that represents the total cost. . . . There is room for thousands of people who are willing to work and put up with the rough conditions outback. There is an immense area of good stock country lying idle.

This young man has the opinion that a great future awaits this portion of the Territory, but the attitude of some honorable members is like that of a man who takes up a property with a limited capital, and refuses to spend any money on it. If we want to make anything out of the Northern Territory we must spend money on it. In the meantime we cannot do better than follow the course of putting down bores, and demonstrating that permanent water is available. As soon as that is done young fellows, sons of pastoralists whose holdings are being cut up for closer settlement, and who are anxious to get out further back to continue their pastoral occupation, will be found going to the Territory. There is every possibility of development on the primitive lines of settlement which have been so successfully applied in all the States. We shall not succeed by forcing closer settlement.

Mr. Poynton.

Although I have absolute faith in the future of the Northern Territory, I admit it is a very difficult question to handle. I have recently received a communication stating that the residents there are very much upset because a branch of this Legislature has refused to allow them to have representation in this Parliament.

Mr. HECTOR LAMOND.—We might let them have a representative in this Chamber.

Mr. POYNTON.—I do not know whether that could be done, but, at any rate, I think they ought to have representation in this Parliament.

Mr. LAVELLE.—It was your party in the Senate which said that they should not.

Mr. POYNTON.—The claim was put forward in the Senate that the Territory should be represented by the senators of South Australia or Western Australia; but that cannot be done under the Constitution. However, the matter will come up again.

The honorable member for Barrier (Mr. Considine) claims that my Department is keeping the wife of an Italian out of Australia because of a regulation which he says has been issued, stipulating that before she can enter the Commonwealth she must be able to read, write, or talk English. There is no such regulation in existence.

Mr. BRENNAN (Batman) [3.30].—The Committee should not too precipitately agree to the Home and Territories Estimates, because upon them the question of immigration comes up for consideration, and it is one upon which much can, and should, be said. Bound up with it is the settlement of the Northern Territory. I do not share the optimistic views of the Minister respecting the Territory, but I would not think of decrying it as a national asset, or of saying that it is impossible to make it a productive white man's country. I agree with the Minister that it has to be populated, and from the south rather than from the north. It is idle, however, to suppose that we can populate it properly until there has been a very large increase in the population of the Commonwealth as a whole. No part of Australia is adequately populated yet, and we cannot, by artificial processes, populate the Northern

Territory, and make it productive in advance of the development of more accessible areas.

A short time ago the Prime Minister made a statement in this Chamber of the Government policy with respect to immigration. He told us the Minister for Repatriation (Senator Millen), who is now abroad on a mission, was to interest himself in London in the subject of immigration, and that the Government proposed to appoint a Mr. Barnes to act as emigration agent on the other side of the world. That appointment is obnoxious to every member of the Labour party, and to the great body of the community outside for which we speak. It is so obnoxious to the workers that the party will be justified—and indeed bound—to let organized labour in Great Britain know that it should not rely on Mr. Barnes as a spokesman for Australia in the matter of immigration.

Sir JOSEPH COOK.—That is to say, in the prosecution of a vendetta against this man, you would destroy our scheme of immigration.

Mr. BRENNAN.—That is not so. The Minister for Repatriation is charged with the duty of looking into emigration on the other side of the world, and to that I offer no objection, because, though we differ in politics, I recognise that he holds his position as the result of the vote of the Australian people, and as a member of the Government, so that, apart from his personal qualifications, he is entitled to speak for a large section of the community. My objection to Mr. Barnes is not personal, and not even political; it is based on the fact that he has neither the qualifications nor the capacity to speak for Australia, and those whom the Labour party represent have no confidence in him. His public performances, utterances, and course of conduct are such that he has utterly forfeited, if he ever possessed, the confidence of that class to which he will have to appeal in England to make his mission a success. An emigration campaign is not to be won by an appeal to the personal friends of members of the Government, or to those in high places; the appeal must be made to the bone and sinew of the country from which emigrants are to be drawn—the workers of Great Britain and Ireland, and the workers of other countries—if it is intended to prosecute our immigration

policy outside the British Dominions. The class of men we want here are those who are prepared to work on the land, and, after them, men who are prepared to work in the secondary industries. If the Government, as a reward for the political apostasy of a former member of the Labour party who has joined them, appoints Mr. Barnes as their emigration agent at Home, their immigration scheme is foredoomed to failure. Nothing is more sensitive than the public mind regarding representations concerning the possibilities of a new country to which people are being invited to emigrate. When a person speaks as an emigration agent for Australia he should possess the full confidence of the people from whom he goes. This gentleman does not do that. He is in no sense an Australian, and his experience of this country has been very limited, both in time and in extent. His political history marks him out as a man in whom the workers of Great Britain cannot have confidence. I hope that the vote for the Department of Home and Territories will not be passed until there has been more discussion of the immigration policy of the Government and of the proposed appointment of Mr. Barnes.

Sir JOSEPH COOK.—There is an Immigration Bill before the House.

Mr. BRENNAN.—It will afford other opportunity for protest. It is imperative that we should express the strong views that we hold regarding this appointment, and I am strongly inclined to divide the Committee regarding it by moving a resolution of the vote. It is not certain that we will deal with the Immigration Bill before Christmas.

Sir JOSEPH COOK.—Yes.

Mr. POYNTON.—I want to get the Bill through, and will be only too pleased if you will help me.

Mr. RYAN (West Sydney) [3.43].—I think that we might report progress now. One or two members who are not here wish to say something upon these Estimates, and if the Minister allows them to go over until next week they will probably be dealt with then within half-an-hour.

Sir JOSEPH COOK.—Next week we shall be dealing with the Commonwealth Bank Bill.

Mr. RYAN.—Are you not going to take up the Estimates this week?

Sir JOSEPH COOK.—I hope so; but not immediately.

Mr. RYAN.—If you will give me the assurance that there will be an opportunity for the further discussion of the Northern Territory administration, I shall let the vote pass.

Sir JOSEPH COOK.—There will be Supplementary Estimates.

Mr. RYAN.—If you give me the assurance that there will be opportunity for that discussion I shall say no more now.

Proposed vote agreed to.

Progress reported.

CUSTOMS BILL.

Bill returned from the Senate without amendment.

NATIONALITY BILL.

In Committee (Consideration of Senate's message):

Clause 26 (Evidence of declarations).

House of Representatives' Amendment.—At end of clause add:—

"Provided that the person affected by such declaration will be entitled to publicly examine and cross-examine the declarant before such declaration is acted upon by the Minister."

Senate's Message.—Amendment agreed to with the following amendments, viz.:—

(a) Leave out "the person", insert "if any person, other than the person making the declaration, is".

(b) Leave out "will", insert "he shall".

Motion (by Mr. POYNTON) agreed to—That the amendments made by the Senate be agreed to.

Resolution reported; report adopted.

ADJOURNMENT.

ORDER OF BUSINESS.

Motion (by Sir JOSEPH COOK) proposed—

That the House do now adjourn.

Mr. JAMES PAGE (Maranoa) [3.47].—Can the Treasurer (Sir Joseph Cook) inform us what business it is proposed to take next week?

Sir JOSEPH COOK.—I hope to take the Banking Bill first, and then one or two little measures.

Mr. JAMES PAGE.—You do not propose to proceed with the Estimates first?

Sir JOSEPH COOK.—No.

Question resolved in the affirmative.

House adjourned at 3.48 p.m.

House of Representatives.

Tuesday, 9 November, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 3 p.m., and read prayers.

PRIVILEGE.

SPEECH BY MR. MAHON.

Mr. HUGHES.—I desire to bring under your notice, Mr. Speaker, a matter of very great importance, arising out of a speech delivered by the honorable member for Kalgoorlie (Mr. Mahon) on Sunday last. According to the *Argus* of 8th November, the honorable member is reported to have said—

The outrage committed upon Archbishop Mannix in England would never be forgotten by the Irish people of Australia. Never in Russia under the worst ruler of the Czars had there been such an infamous murder as that of the late Alderman McSwiney. They were told in the papers that Alderman McSwiney's poor widow sobbed over his coffin. If there was a just God in heaven that sob would reach round the world, and one day would shake the foundations of this bloody and accursed Empire. The other day he was approached by a vinegar-faced "wowser" who said that the police in Ireland were being shot in the back. If they were shot in the back it must be because they were running away. But there were no police in Ireland. They were spies, informers, and bloody cut-throats. (Applause.) He read with delight that some of those murdering thugs had been sent to their account, and he trusted that Ireland would not be profaned by their carcasses. Their souls were probably in hell, and their bodies should be sent to England. He would not have the sweet pastures of Ireland poisoned by their carrion clay.

Other speakers included Messrs. Tudor, Parker Moloney, F. Brennan, Considine, and Cunningham, members of this House; Mr. Prendergast, member of the Victorian Legislative Assembly; and Messrs. J. F. Hannan, J. J. Collins, J. J. Clancy, and Peter Larkin. The following motion was agreed to by the meeting:—

That this meeting expresses and extends its profound sympathy to the relatives of the late Lord Mayor of Cork, who was brutally done to death by the Lloyd George Government, and assures them that his prolonged martyrdom, which has kindled the indignation of the whole civilized world, will assuredly hasten recognition by the nations of the Irish Republic, to which Alderman McSwiney devoted his noble life.

That this meeting earnestly invites the attention of free Australia to the complete destruction of civic liberty in Ireland by the action of the English Government; it denies the right of England to impose her will on the Irish people in view of the fact that Ireland, by an overwhelming majority, approved of the establishment of an Irish Republic; and it condemns the saturnalia of murder, arson, plunder, and destruction indulged in by the foreign army of occupation, with the clear connivance and approval of the English Government.

That this mass meeting of Australian citizens, in view of the policy of oppression and tyranny pursued by the English Government in Ireland, and which has brought eternal disgrace upon the whole British Empire, of which Australia forms a part, pledges its support to any movement for the establishment of an Australian republic.

In view of the statement alleged to have been made by the honorable member, and the terms of the motion—both incompatible with the oath of allegiance taken by the members of this Parliament, and entirely opposed to the sentiments of the great majority of the people of Australia—I ask you, Mr. Speaker, whether I may ask the honorable member whether the report that I have just read is substantially correct?

Mr. SPEAKER.—The question being really one of privilege, the honorable member for Kalgoorlie is entitled to make any statement that he may desire in replying to it.

Mr. MAHON.—For nearly twenty years, with a slight interval, I have been a member of this Parliament. I do not think that I have ever been called to order in this House during that period; I am certain that you, Mr. Speaker, who have been a member of the House nearly as long as I, have never, during your occupancy of the chair, called me to order for any disobedience to the rules or disrespect to your office. In anything I may now say, let me assure you that I intend no disrespect to you, and none to the Parliament created by the people of Australia. I have never, during my career here, called attention to anything said outside the House about me, about the principles I espouse, or about the men whose reputations and honour I reverence. Only last week most vile statements were made by men sitting on the opposite side of the Chamber about the religion which I profess, and these were published at length in the newspapers, but none called attention to the outrage that they committed on the feelings of the bulk of the Catholics of Australia.

One man who sits opposite said that when a church—meaning the Catholic Church—became a political institution it should be broken up. Bigger men than he have attempted to break up that church, but the church will stand when he and his like are in the limbo of oblivion. For anything I say inside the Chamber I am responsible to you, Mr. Speaker, and to the House. There is the law of the country to call me to account for anything that I may say outside this House. Therefore, if any man gets up here to catechise me about language that I have used, or am reported to have used, outside, I say politely and decisively that he can go to the devil.

Mr. HUGHES.—Then we are to take it that the report is correct?

Mr. MAHON.—You are not to take anything of the kind.

PASSPORTS BILL.

Message received from the Senate that it had agreed to the amendments made by the House of Representatives in the Bill.

PAPERS.

The following papers were presented:—

Butter Agreement Act—Regulations—Statutory Rules 1920, No. 193.

Deceased Soldiers' Estates Act—Regulations Amended—Statutory Rules 1920, No. 194.

Defence Act—Regulations Amended—Statutory Rules 1920, Nos. 187, 188, 189, 195,

196, 197, 198, 199, 200, 203, 204, 205, 207.

Northern Territory—Ordinance of 1920—No. 8—Public Trustee.

War Precautions Act and the Land, Mining, Shares, and Shipping Act—Regulations Amended—Statutory Rules 1920, No. 185.

ADJOURNMENT.

DIRECTION OF FEDERAL CAPITAL DESIGN.

Mr. SPEAKER.—I have received from the honorable member for Cook an intimation that he desires to move the adjournment of the House to discuss a definite matter of urgent public importance, viz., "The proposal to supersede the present direction of Federal Capital Design and Construction by the appointment of a Committee largely composed of antagonistic and unworkable elements."

Mr. J. H. CATTS (Cook) [3.10]—An announcement appeared in the press on the 2nd instant that it is proposed to supersede the present Federal Capital Director of Design and Construction by a Committee of five persons. The names

of two Federal officers are mentioned as members of the Committee.

I wish to show (1) that the Committee will be composed of antagonistic and unworkable elements, and (2) that the proposal is a gross breach of faith with the Director of Design and Construction of the Federal Capital.

Sir JOSEPH COOK.—The honorable member will not be able to show that.

Mr. J. H. CATTS.—In 1913 the right honorable member for Parramatta (Sir Joseph Cook) invited Mr. Griffin to come to this country for consultation shortly after his plans had won the international competition for the laying-out of the Federal Capital. While Mr. Griffin was here the Government, of which the right honorable member for Parramatta (Sir Joseph Cook) and the present Minister for Works and Railways (Mr. Groom) were members, appointed him upon a definite and binding agreement as Federal Capital Director of Design and Construction—in October, 1913.

Upon that appointment, and upon the terms of that contract, Mr. Griffin went to America and closed up a lucrative and growing practice in Chicago, and then returned to this country for the purpose of carrying out his agreement, and building the Capital, directing its design and construction in accordance with the plans with which he had gained the first prize in the international competition.

The agreement under which Mr. Griffin was appointed gave him full executive authority as Director of Design and Construction, subject only to the Minister.

When the three years' term of the original agreement expired, there was a Labour Government in office, and in 1916 Mr. King O'Malley, who was Minister for Home Affairs at the time, renewed Mr. Griffin's appointment on the self-same terms and conditions.

In October, 1919, the Hughes Government extended this appointment under the same terms and conditions, so that the terms and conditions of the agreement under which Mr. Griffin was originally appointed have been ratified by the two great political parties represented in this House.

Mr. Griffin possesses pre-eminent attainments. I have been associated

with the agitation for the selection of the Federal Capital site and the building of the Capital for many years, and have taken a very close interest—I was going to say in its progress, but I should, perhaps, say, in its want of progress. Mr. Griffin is a Bachelor of Science of the College of Engineering of the University of Illinois, in the United States of America, and he has taken his degree in architecture, and also University courses in architectural and sanitary engineering.

Mr. Blacket, who was appointed a Royal Commissioner to inquire into certain charges which had been made against Mr. Griffin in connexion with his office by departmental officials, reported in May, 1917, that from October, 1913, to June, 1916, Mr. Griffin was prevented from carrying out the duties of his office. I shall refer to this again later. The Government then suspended works at the Federal Capital on account of the financial position arising out of the war. Thus for seven years Mr. Griffin has had no chance to carry out the work for which he was appointed.

In November, 1913, it was decided by Mr. Kelly, who was then Minister for Home Affairs, that there should be an international competition for designs for the Parliament House at Canberra; but that competition has, for one excuse or another, been held up until the present day. We were told that the leading architects of the world were at the war. For any old excuse the international competition for designs for the Federal Parliament House at Canberra has been held up. This is our general experience in connexion with all Capital matters.

Some of the officers whom it is proposed to place upon the proposed Committee have shown throughout gross antagonism to the present Director of Design and Construction of the Federal Capital. As I shall show, it would be impossible to expect progress from a Board or Committee composed of these unworkable and antagonistic elements.

The departmental officials to whom I refer have been responsible for the most colossal blunders that have been committed in the building of public works in this country. I refer to (1) the water system, (2) sewerage, (3) electric light and power, (4) brick works, (5) the railways, (6) accountancy. All these matters

were reported on by the Blacket Royal Commission.

The errors complained of were commenced prior to Mr. Griffin's arrival on his return from America after his appointment, and have been carried out in spite of his repeated protests.

The water system. The Federal Capital site at Canberra was offered in 1908 by the New South Wales Government, because of the plentiful supply of water by gravitation, and because of the enormous possibilities of providing cheap water power. Canberra is looked upon as one of the finest sites in Australia for the development of cheap water power. These matters have been reported upon by the leading experts of New South Wales. The Federal officers, instead of adopting a gravitation scheme for supplying water to the Capital, substituted a pumping scheme which necessitated the pumping of water to a height of 800 feet. Mr. Oliver, Chief Engineer of the Metropolitan Water Supply and Sewerage Board of Victoria, and recognised as a leading man in his profession in Australia, reported that the first cost and the subsequent service of water by gravitation would be cheaper than the pumping scheme that has been adopted by the departmental officers.

Sewerage. The departmental officers proposed to proceed with a main trunk sewer to empty 25 feet below the Molonglo River bottom, and to pump the sewage on to a sewage farm. Mr. Oliver, when called in to report, estimated the cost of this trunk system of sewerage at £250,000, and after £40,000 had been spent upon it he reported that the proposal for a sewage farm was absolutely impossible. Mr. Oliver himself devised a scheme of sewerage for the Federal Capital to cut out entirely the proposed expenditure of £250,000 for main trunk lines of sewerage.

Electric light and power. The location of this industrial undertaking is in such a position as to necessitate the construction of a special line of railway and destroy one of the main views of the city. It took into consideration the supply of light, but not the supply of power, and Mr. Blacket shows, in his report, that the building cost twice as much as it should have cost. The plant is already obsolete. Reciprocal engines have been

installed, whereas the authorities to-day state that the building should be fitted with turbine engines.

Brickworks. These were set in the residential area, the immediate effect being to depreciate the land values in that area, but the departmental officers also partially cut down a hill which afforded protection from the prevailing winds. No proper test was made to discover whether shale existed in sufficient quantities to warrant the building of brickworks, and subsequently, when a test was made, it was found that there were only 13 feet depth of shale at that spot. The first plant had to be scrapped owing to its unsuitability, and the ultimate cost of the brickworks was £40,000. It was estimated by the manager of the Northcote Brickworks, Melbourne, when he gave evidence before Mr. Blacket, that a modern plant of double the capacity of the brickworks at Canberra could be erected in Melbourne at a cost of £10,000. He could not give the figures for Canberra, because he would have been obliged to make an investigation on the spot. As the brickworks at Canberra were erected 3 miles from the railway line it necessitated 3 miles of haulage of coal from the railway to the works and 3 miles of haulage of bricks from the works to the railway. It has since been discovered that there is an inexhaustible supply of shale near the existing railway in the industrial area.

Housing. The departmental officers constructed temporary buildings which cost as much as permanent buildings. The administrative offices, according to Mr. Blacket's report, cost £15,000, whereas they should not have cost more than about £2,000.

Railways. When Mr. Griffin came back from America he found that the officers had a permanent railway nearly completed from Queanbeyan to the city boundary, a distance of $4\frac{1}{2}$ miles, and that it was located in the river bed which in his plan, which had won the international competition, was to be in the centre of a series of ornamental lakes. A flood some time after the completion of the railway washed out half-a-mile of the railway works in the bed of the river, at an estimated damage, according to Mr. Bell, the Com-

missioner of Commonwealth Railways, of £8,000. This information was supplied to me by the Minister, hence I accept it as accurate. The cost of building this $4\frac{1}{2}$ miles of railway was £50,000, and it has now been shown that it could have been built as proposed in Mr. Griffin's plan on high ground for the same amount of money.

Accountancy. It was shown by Mr. Blacket's report that no proper system of accountancy had been followed, and that, although colossal losses had already been incurred, it was impossible to tell the aggregate cost to the Commonwealth of these enormous blunders perpetrated by the departmental officers.

In addition to the matters reported upon by Mr. Blacket a number of bridges have been built within the Capital area, and not one of them has stood against floods, with the exception of one very heavy concrete structure, and even in that case the railway line which crosses the river upon it was washed off it.

This is the finding of Mr. Blacket, as shown on page 45, paragraph 170, of his report—

- (a) That necessary information and assistance were withheld from Mr. Griffin, and his powers were usurped by certain officials;
- (b) That he and his office were ignored, his rights and duties under his contract denied, and false charges of default made against him;
- (c) That Hon. W. O. Archibald and members of the Departmental Board endeavoured to set aside his design and substitute the Board's own design.

Mr. Blacket further reported that there was in the Department a combination of certain officers, hostile to Mr. Griffin and his design for the Capital city.

For years the manner in which the departmental officers persisted in carrying out a plan of their own which had never been submitted to competition has caused the greatest amount of friction, prevented the work at Canberra from being proceeded with, and has entailed enormous losses to the Commonwealth. If the works which have been constructed on the initiation of these officers are part of their plan, it is quite clear that the Federal Capital built on their plan would be one of the greatest hotch-potches in the world.

It has been said that if the building of the Ark had been left to committees the whole living world would have been drowned.

It is now proposed to substitute for a capable Director, who has designed the city plan which has won against the competition of the world, a committee consisting in part of officers who have not nearly his competence, and have been shown to be filled with such antagonism towards him that it would be absolutely impossible for him to work with them. On page 18 of the report of Mr. Blacket on the issues relating to Mr. Griffin, it will be seen that the present proposal to appoint a Committee is the very same as that which the Department proposed in 1914, when it was definitely stated that the intention was to deprive Mr. Griffin of the powers conferred upon him by his contract. I shall refer presently to what a succeeding Minister found of the attitude of these officers to Mr. Griffin.

I was not present when the honorable member for Dampier (Mr. Gregory) referred recently to what is known as Adelaide-avenue, Canberra. The honorable member scathingly denounced part of one of the leading avenues which have been laid out in the area. Some time ago I visited Canberra in company with Mr. Griffin, and had the works already carried out explained to me, and the why and wherefore in regard to everything; and I am sure that had the honorable member taken the trouble to ask for an explanation he would not have spoken as he did. Adelaide-avenue is part of a system of eleven radiating avenues, and the particular spot to which criticism has been directed is the Capitol circuit base for the Capitol Hill. For about half-a-mile this avenue is an embankment, and it is proposed to establish public gardens on either side; in fact, the whole of this area has been ready for planting for some considerable time past, and I have no doubt that if Mr. Griffin had been allowed to proceed with the development of his design, this particular spot with its embankments and gardens on either side would now be one of the spectacular features of the city. The point at which the road is cut through the hill to afford western communication with the Capital is the lowest gap affording an entrance to any part of the south of the city. The avenue is 200 feet wide, and it is proposed

to have a natural park right down the centre, something on the lines of the parks to be seen on St. Kilda-road, with tramway lines running on either side, and on the outer edges provision for vehicular traffic. The experience of the world has shown that the separation of tramway and vehicular traffic in that way insures the most economical maintenance of the tram permanent way, and also minimizes the dust nuisance in a great city. The same kind of road is to be seen in Melbourne near the Treasury Buildings, on the southern side, with the gardens at the sides. No doubt, the honorable member for Dampier (Mr. Gregory) passes this particular spot often; yet it has probably not occurred to him that he has been criticising in the case of Canberra what is a perfectly acceptable piece of engineering at the very door of the Commonwealth Parliamentary Buildings.

If we needed another exhibition of the incompetence displayed in connexion with the public works at the Federal Capital, honorable members have merely to look at the Duntroon College, which consists of a number of temporary structures—a conglomeration of buildings which cost thousands of pounds annually in paint alone for maintenance purposes. It is stated that there is no plan in existence relating to the water pipes and sewerage pipes which have been laid down within that area. One may dig a hole and suddenly come upon a water pipe without ever suspecting that it is there.

Sir JOSEPH COOK.—It is only fair to say that the buildings at the College were erected in a hurry.

Mr. J. H. CATTS.—There is no excuse for the absence of a plan showing the water supply and sewerage pipes which have been laid down in connexion with a building of that character.

Mr. GROOM.—Where does the honorable member get all this information?

Sir JOSEPH COOK.—From Mr. Griffin.

Mr. J. H. CATTS.—No, sir. I got most of it from Mr. Blacket's report, and as the result of my visits to the area from time to time. My old friend, the Hon. King O'Malley, is also an encyclopedia of information on Capital matters. But what does it matter from where the information comes? The question is, Is it true? It has been stated that it is necessary to put all our public works under the Works Department. Why

has that plan not been followed in connexion with our railways? Why are not naval works placed under the control of the Works and Railways Department?

Mr. GROOM.—Naval works are under the control of the Department of Works and Railways. The change was effected more than three years ago.

Sir JOSEPH COOK.—It should be said that the Naval Board is very much against the alteration.

Mr. J. H. CATTS.—I did not know that the naval works had been transferred to the control of the Department of Works and Railways.

Mr. MAHONY.—They are under the same man still, namely, Mr. J. R. Settle.

Mr. GROOM.—He is the Director of Naval Works under the Minister for Works and Railways.

Mr. J. H. CATTS.—Mr. Griffin is Director of Capital Design and Construction under the Minister for Works and Railways; and why, therefore, should he be jammed under the control of the Director-General of Works? Why not leave him in the same position as that occupied by the Director of Naval Works?

Sir JOSEPH COOK.—Is he in a similar position?

Mr. J. H. CATTS.—Mr. Griffin has an agreement which recognises his position.

Sir JOSEPH COOK.—I would not push that agreement too far. Mr. Griffin was never intended to be the constructor of the Federal Capital.

Mr. J. H. CATTS. — I know what his agreement says. It is not what the Minister meant, but what the contract says. Surely he did not blindly accept a contract drawn up by officials. Before Mr. Griffin was asked to give up a lucrative and growing practice in Chicago, he should have been informed by the present Treasurer of what was the exact position.

Mr. POYNTON.—Mr. Griffin has done very well here.

Mr. J. H. CATTS.—He has not done well out of the Government. It is a gross breach of faith to ask him to give up a lucrative practice in America, and then to treat his agreement as a mere "scrap of paper."

Mr. FENTON.—He can go back to America.

Mr. J. H. CATTS.—All of us may go back; but that is no excuse for what has been done.

Mr. FENTON.—We have had a bit too much of the Yankee in this country.

Mr. J. H. CATTS.—That is a very contemptible reference to make to this man.

Mr. FENTON.—The honorable member may please himself. I know a good deal more about Mr. Griffin than he does, and I have found out what an expensive individual he is.

Mr. J. H. CATTS. — My honorable friend made an attack upon Mr. Griffin when he first set foot in Australia in 1913, and has been "up against" him ever since. It is a blind prejudice.

As bearing upon the question of whether it is possible for this Committee to do any effective work, here is the evidence tendered by Mr. Archibald, who was then Minister for Home and Territories, to the Royal Commission which investigated this matter.

So far as I was concerned, the permanent officials of the Department were unwilling to co-operate with Mr. Griffin.

Yet the Government now propose to put Mr. Griffin into a watertight compartment with the permanent officials, who have absolutely refused to co-operate with him in the carrying out of this great work. In reality, the proposal of the Government is a notice to him to quit. Ministers ought to have the courage to tell Mr. Griffin to go about his business instead of adopting this underhand method of inviting him to accept a subordinate position as the fifth wheel of the coach, when they know perfectly well that he has no course open to him but to decline. I have no authority for making this statement, because I do not know what are Mr. Griffin's views of this Committee; but I cannot conceive of a man of his qualifications being satisfied to become the fifth wheel of a coach upon a Committee which will brand his work as a failure, and when he will have no opportunity of vindicating himself and his professional attainments, not merely in the eyes of Australia, but before the whole world.

Sir JOSEPH COOK (Parramatta—Treasurer) [3.39].—I think that I ought to say one or two words upon this question. I do not believe that a debate of this kind can help the Federal Capital

question in any way whatever. If anything will tend to retard the construction of the Capital, it is the initiation of a quarrel about the *personnel* of those who are to carry out these responsibilities.

Mr. J. H. CATTS.—That is just exactly what the Committee will do.

Sir JOSEPH COOK.—That is precisely what it will do if the Minister permits it.

Mr. AUSTIN CHAPMAN.—This quarrel has cost the Commonwealth £250,000.

Sir JOSEPH COOK.—Then it ought not to cost it any more. I do not think that the honorable member for Eden-Monaro (Mr. Chapman) will cure the evil, by seeking to concentrate the whole of the power connected with the building of the Federal Capital in the hands of one man, who, in my judgment—and I speak as a friend of Mr. Griffin—has not convinced the public of Australia that he is the best of all practical constructionists.

Mr. J. H. CATTS.—He has not had the chance.

Sir JOSEPH COOK.—What were the conditions under which he came here? It is idle to say that this man was brought from America to take the sole control and direction of the erection of the Capital; nothing was further from the minds of those who brought him.

Mr. FENTON.—You were largely responsible for that.

Sir JOSEPH COOK.—I was. The very conditions under which Mr. Griffin is operating to-day are the best evidence of the truth of what I say. What is his salary? It is £1,000 a year. Can anybody contend that that would be adequate remuneration for a man who had to take the sole responsibility for the construction of this Capital? The idea is absurd. Again, there is another term of the agreement that honorable members should bear in mind. Of course, this is the part of the agreement that the honorable member for Cook (Mr. J. H. Catts) leaves out; but, according to it, Mr. Griffin was to give only three days a week altogether to the work of the Federal Capital. What an absurd term that would be to put into an agreement if the idea was that he should have sole control and direction of the construction of the Capital! These two facts themselves are the clearest of all proofs that no such thing was ever intended. Mr. Griffin was brought to Aus-

tralia because it was feared that the departmental officers—I wish to be fair to Mr. Griffin as well as to them—would interfere with his plan.

Mr. J. H. CATTS.—That is what they will do now.

Sir JOSEPH COOK.—Will they? They can only do so if the House and the Minister permit them. I repeat that it was thought the officers would do so, and Mr. Griffin was brought here to see and to report whether they did, interfere with his plan. Therefore, the fundamental idea at the bottom of the agreement was that he was not to construct the Capital, but to take care that those who did the work did not maul his plan about.

My colleague (Mr. Groom) directs my attention to some questions that were asked in the House on the 29th October, 1913. On that date the honorable member for Maribyrnong (Mr. Fenton), amongst other questions, asked—

Who will prepare the specifications and conditions of competitive plans, and arrange the architectural portion of the city, and will the Government allow an architect, even outside the Department, to draw up conditions and assist in the architectural work of all the buildings?

The reply was—

The agreement with Mr. Griffin provides that he will advise upon, and if so requested by the Minister, prepare conditions of competition for public buildings and works for the Federal City and preliminary feature plans for the guidance of competitors. It is proposed to use his advice to insure harmonious structural development. The Government will be able to have the erection of buildings supervised by its own officers. Copy of the agreement in question will be made available to honorable members this afternoon.

Mr. J. H. CATTS.—That is all right—erected under Mr. Griffin's supervision.

Sir JOSEPH COOK.—It does not say so in what I have read.

Mr. J. H. CATTS.—You are not reading the agreement.

Sir JOSEPH COOK.—It does not say so in the extract I read. There are two facts—this gentleman was brought here to advise concerning the plan of the Capital, and the Minister was to determine what had to be done in the execution of the work under his own departmental officers. How can it be said that Mr. Griffin was brought here to supervise the construction of the Capital? The very terms and conditions under which he is here now show that nothing could have been further from the minds of those who sent for him and made

the agreement. He was brought here to police his plan—that and nothing more—to report to the Government if at any time in the carrying out of the works it was found that the officers were departing from his plan.

Mr. Griffin has had a very different function assigned to him since he came here. Who has done that I do not know, but I venture to say that the sooner this question of the Capital is taken out of politics the better. That is my judgment; and I am inclined to think that Mr. Griffin is a pretty good politician as well as town planner.

Mr. J. H. CATTS.—His trouble is that he has not been able to fight the departmental officers.

Sir JOSEPH COOK.—I think he has, and he has done it very well. It is a pity that this business should develop in this way. There is room here for Mr. Griffin to fulfil the function which he came to fulfil.

Mr. AUSTIN CHAPMAN.—What are you going to do with the Capital?

Sir JOSEPH COOK.—If I had my way, and could get the Cabinet and the House to agree, I would put the whole of this business into the hands of three men, and let them go ahead, and make the Capital a paying concern, as they well could do.

Mr. AUSTIN CHAPMAN.—They could easily do it.

Sir ROBERT BEST.—What abnormally clever men they would be!

Sir JOSEPH COOK.—No, sir; they would do exactly what has been done with other capitals, notably Washington; there is none of this business there, the whole administration being outside parliamentary and political control, as is only proper. I would take the same course, as I say, with the Federal Capital of Australia. I firmly believe—indeed, I am certain—that if this work were developed along proper lines, the Capital, in all its glory, with all its architectural grandeur added, should not cost this country a very great sum of money. But for many years to come, and in our lifetime, let us modestly develop along lines of usefulness, and the immediate occupancy should not cost this country very much, if anything at all. This Committee is being got together with this, amongst other objects in view. May I say another word in this connexion? I would have this Committee slightly different.

Mr. AUSTIN CHAPMAN.—There is a Committee, then—one was promised?

Sir JOSEPH COOK.—There is a Committee promised, of course; and I should like the honorable member to understand that its formation was in the Government programme at the last election, and proposed in the Governor-General's Speech.

Mr. AUSTIN CHAPMAN.—But is all this talk in the press about the Committee correct?

Sir JOSEPH COOK.—I understand there is to be a Committee appointed.

Sir ROBERT BEST.—It is promised, that is all.

Mr. MAHONY.—This is not the Committee mentioned in the Governor-General's Speech?

Sir JOSEPH COOK.—Yes, it is; and the reason why something should be done in this respect is the quarrel within the Department. The honorable member for Cook (Mr. Catts) contends that one man, now in the employment of the Government, shall have the sole control of the design and construction of the Capital. I have yet to learn that Mr. Griffin has all the necessary qualifications combined and rolled into one; he would be a wonderful man if he had. What the honorable member for Cook desires, evidently, is to make our own officers subordinate to the control of Mr. Griffin.

Mr. J. H. CATTS.—Nonsense!

Sir JOSEPH COOK.—I do not think that such subordination would be a good thing; I doubt whether we should get the best results at the Capital by this means. We ought to go along as we were doing before the war broke upon us.

Mr. J. H. CATTS.—I should like to give this man a square deal to carry out his work.

Sir JOSEPH COOK.—So should I, but I rather think he wants more than this Parliament is entitled to give him. He wants to be the sole determinator of the whole thing, and he cannot be that.

Mr. JAMES PAGE.—Parliament is entitled to do as it wishes.

Sir JOSEPH COOK.—I agree with the honorable member. The reason I would put this matter under a competent trust is because we can never deal satisfactorily with it on the floor of this House. Why should the Public Works Committee—and this is what I used to urge when I was on the Opposition side—go over the plan, and recommend to the House interference with it in any way whatever? On that

point I agree with the honorable member for Cook. The Public Works Committee is not competent to criticise the plan of the Federal Capital. That is why I think it should go into the hands of a body of experts, who would carry it out with due regard to economy, efficiency, and immediate success. What is the use of getting a man to win the first prize for a plan against the competition of the world, and then setting a Public Works Committee, appointed by this House, on to his design, to say whether this feature of it should be altered, or that feature carried out or not? There is something wrong about the whole scheme if that can take place. I am not suggesting that the Public Works Committee cannot do useful work, even in the Federal Capital; but they should let the design severely alone, because that has been fixed and accepted.

Mr. JAMES PAGE.—You know the Public Works Committee are not here. That is why you are going for them.

Sir JOSEPH COOK.—I thought I was addressing a couple of them. We shall get the best results, in my opinion, by a combination of talent under the control and direction of the Minister. The great thing to do now is not to quarrel about who shall do this, and who shall do the other, but to begin at once the construction of some of these works. I advise the Minister, my colleague, who, I know, is anxious to do it, to follow that course, and if the plans and specifications are not now ready, then somebody has been at fault. They should have been ready instantly the authority of the House was given. What we have to do now is to do the work, and not to begin quarrelling about it.

Mr. FENTON (Maribyrnong) [3.54].—I should not have taken part in this debate but for some of the remarks of the honorable member for Cook (Mr. J. H. Catts). We in Victoria have suffered an experience from Yankee rule, on the railways and elsewhere, that makes us rather chary about accepting people who come from the other side of the world. I am not offering any personal criticism in saying that, but I agree with the Treasurer (Sir Joseph Cook) that the designer of the Federal Capital City is pretty expert in the political world, as well as in his picturesque landscape architecture.

Mr. J. H. CATTS.—That is a pure guess, you know.

Mr. FENTON.—No. I have had experience of the designer of the Federal Capital. I have sat and listened to him for hours.

Sir JOSEPH COOK.—It is of no use to criticise that part of it.

Mr. FENTON.—I do not speak without knowledge. Reference has been made to the expenditure in connexion with the Federal Capital, but instead of the Treasurer saying that the Public Works Committee should not interfere, it should be mentioned that this House saw fit that the Committee should interfere, and specially intrusted to the Committee an inquiry in regard to certain work on the Federal Capital site. I am proud to have been a member of that Committee which turned down proposed expenditure that ran into nearly £500,000, particularly in regard to ornamental lakes. We do not want any ornamental lakes at this time in the Federal Capital or anywhere else. Neither the Government nor the country have money to burn at the present time.

Mr. TUDOR.—Ornamental lakes may be useful at times. Had Mr. Thwaites' idea been adopted in Melbourne, it would have paid for itself over and over again.

Mr. FENTON.—The honorable member is talking about a time when the State revenue was booming.

Mr. NICHOLLS.—Look at this matter in a broad national light!

Mr. FENTON.—There is only a short time to go before the debate must end, and I do not propose to take up the whole of that time. I must deprecate a plea being put in for one individual, claiming for him a certain amount of sympathy and regard simply because he left a lucrative practice in another part of the world, and came to a country containing a mere handful of people, in order to look after the carrying out of a design which he had fathered some time before. If he is the marvellous genius that some people would have us believe, he would have resigned from this particular sphere of operations long ago, and gone back to a country where there are over one hundred million people and any amount of money waiting to be expended. That is, of

course, if he was after the almighty dollar, and I must say that most Americans are after it.

Mr. J. H. CATTS.—That is a very mean and sordid view to put.

Mr. FENTON.—Things have been said against men in the Public Works Department. I believe honorable members and Ministers will say that we have in the Department men who are among the best experts in their line to be found in any part of the world. I refer particularly to the architect.

Mr. J. H. CATTS.—How would you like it to be said that you were only here for the few pounds you get?

Mr. FENTON.—I might say the same about the honorable member. I am a public man, and open to criticism. People can say what they like about me. I have my own ideas about why I am here and why the people put me here. I suppose that when the people no longer want me here they will set me aside. The honorable member for Cook made a good deal out of the Blacket report. What was done with it? The honorable member for Balaclava (Mr. Watt), as Minister for Works and Railways at the time, went through it with a number of experts, and, so far as I know, turned down practically every recommendation made by Mr. Blacket.

Mr. AUSTIN CHAPMAN.—Where are those reports?

Mr. FENTON.—They should be obtainable.

Mr. AUSTIN CHAPMAN.—They are not.

Mr. FENTON.—I am surprised to hear it. I understand that they were printed as a parliamentary paper. I believe I had them in my possession, if I have not got them now. The then Minister said he turned down those recommendations on the very best of advice, and that the Commonwealth Government should pay very little regard to the findings of that Commission.

Mr. J. H. CATTS.—That was done secretly.

Mr. FENTON.—The then Minister took the responsibility on himself. This House, including the Ministerial side, accepted his version of the matter.

Mr. J. H. CATTS.—This House did not accept it.

Mr. FENTON.—The House did not move against it, and, so far as I know, very little was said on the subject.

Mr. GROOM.—What was that?

Mr. J. H. CATTS.—When Mr. Watt got his private inquiry agents on to Mr. Blacket's report.

Mr. FENTON.—It was not a question of private inquiry agents. The honorable member for Balaclava, when Minister for Works and Railways, made a statement in the House on the subject. He said the men he had consulted were amongst the best experts in the community, and they practically voted the Blacket report to be a mere piece of humbug.

Mr. J. H. CATTS.—He would not produce their reports.

Mr. FENTON.—I am giving the grounds on which he refused to accept Mr. Blacket's findings. Therefore, until we have the fullest possible information on both sides, it is of no use for the honorable member to hold up the Blacket report as the only correct guide in this matter. The honorable member objected to my remark about having had too much of Yankee control in this country; but when I made that statement I was not thinking of one man only. I believe we have in Australia as good men as in any part of the world, whether they are architects or designers. I believe that even now, at the eleventh hour, there are Australians better qualified to carry out the Federal Capital works than men who come from other parts of the world. I want Australians in and out of Parliament to guard jealously the expenditure that we are going to incur. I am not attacking the Federal Capital Director personally. I am simply speaking against him so far as I know of his operations.

Mr. J. H. CATTS.—You attacked him in 1913, before he had set his foot on shore five minutes.

Mr. FENTON.—I simply asked questions about his particular province, and the duties he was brought here to perform. I desired to know why the Government were importing a man to do this work, and giving him a salary of £1,000 a year with the right of private practice. I merely sought information, as the honorable member does from time to time, and the Minister, to his credit, gave me an ample reply.

Mr. LAVELLE.—But the honorable member is not in favour of shifting the Seat of Government from Melbourne.

Mr. FENTON.—This constant agitation in regard to building the Federal

Capital, instead of forwarding the movement, is in reality retarding it. But for the war and the financial strain it has involved, I would be in favour of the proposed expenditure on the Federal Capital; but we can at present spend our money to much better advantage in other directions. I would urge the honorable member for Cook not to pay too much attention to these reports. I have no desire to take advantage of my position to do an injustice to any man; but from schemes which have been outlined before the Public Works Committee from time to time in regard to the Federal City, I have been led to certain conclusions. The designer of the Federal Capital has jurisdiction only over the city area, and not over the whole of the Territory, but unfortunately he considers himself to be a master of all the professions. In regard to various works in the Territory, he sets himself up against men who have made a life-long study of special branches of engineering, such as sanitary engineering, and also architecture. He sets himself up as a leader in all the different professions.

Mr. J. H. CATTS.—He has never done that.

Mr. FENTON.—I assert that he has; and when a man claims to be a Jack-of-all-trades, I am inclined to think that he is master of none.

Mr. J. H. CATTS.—The honorable member is grossly biased.

Mr. FENTON.—I am not. If the honorable member will look through the evidence given before the Public Works Committee during 1915 and 1916, he will find that my statement is in accordance with facts.

I have no desire to do an injury to the designer of the Federal City. I believe that his design would give us an artistic and magnificent city, but it is altogether too elaborate and too expensive to permit of the Commonwealth giving effect to it for many years to come. In the distant future, we may contemplate a city with ornamental lakes and picturesque settings such as the Federal Capital designer proposes, but I do not intend to vote for such an expenditure at the present time. I would advise the advocates of the expenditure of money on the Federal Capital not to be for ever bringing up the matter. I believe the work will jog along steadily,

although perhaps not as merrily as they would have it; and in due time, when money is far more plentiful than it is to-day, we shall build the Capital to the delight and satisfaction of the people. I understand that the agreement made with the designer of the Federal City does not give him jurisdiction over its environments. He has not charge of the whole Territory, which comprises 1,000 square miles.

Mr. GROOM. — I think that Mr. O'Malley, when Minister for Home and Territories, gave him authority over works outside the city area; but his original agreement related to the designing of the Federal City.

Mr. FENTON.—Quite so; and my view is that works relating to the Territory outside the city itself should be in charge of more experienced officers.

Mr. AUSTIN CHAPMAN (Eden-Monaro) [4.5].—I regret the form which this discussion has taken, since I believe that it will lead us nowhere. I have some proposals of a practical character which I should like to bring before the House, but it was only when I entered this Chamber this afternoon that I learned from the honorable member for Cook (Mr. Catts) of his intention to take this action. I am, therefore, not prepared at this moment to go into them. We are wrong in pitting officer against officer. There has been too much of that sort of thing, and I am satisfied, from my own experience, that the feud between the officials has cost the Commonwealth practically a quarter of a million sterling.

Mr. GABB.—I call attention to the state of the House. [*Quorum formed.*]

Mr. AUSTIN CHAPMAN.—I hope that we shall get down to something practical, and I shall begin by asking the Minister for Works and Railways (Mr. Groom) what he has done towards carrying out the mandate of this House, given a month or six weeks ago, that at least £150,000 should be expended on the Federal Capital this year? That was the decision arrived at by a majority of honorable members after a hard fight, but I am informed that absolutely nothing has been done to give effect to it. I am told by people living in the Territory that no additional men are employed at the Capital, and that although there are

1,000,000 bricks and plenty of timber available at Canberra, the Minister has done nothing to push on with any work. That does not suggest a sympathetic administration. Does the Minister think the appointment of a Committee means a start in building the city? I certainly do not. I agree with the Treasurer (Sir Joseph Cook), that it would be a good thing to have a trust of three practical men to deal with this matter, but I do not want the members of a Committee to start to quarrel amongst themselves and so again delay the work. We understand that an expenditure of £5,000 on sewerage, £5,000 on water supply, £5,000 on road construction, and £5,000 on electric supplies would be sufficient to provide, as a start, for a population of 25,000 people at Canberra. Has the Minister made any honest effort to carry out the direction of the House, or is he holding his hand pending a report from a Committee or Commission? This talk about a Commission is all "bunkum." It is only another method of side-tracking the scheme. The Minister, however, will find some difficulty in side-tracking it, and, unless he acts promptly, he will have to face something more serious than a motion for the adjournment of the House. Unless something is done to give effect to the decision of the House I shall certainly take a more serious step. I blame, not the officials, but the Minister in charge of the Department concerned. I am not here to denounce or to praise officials who cannot speak for themselves. It is for the Minister to tell us what he has done. So far as I can ascertain he has done nothing. I warn him that such a course will not satisfy us.

The internment camp which was erected at Canberra cost over £160,000.

Mr. BAYLEY.—It did not cost us anything. That was an Imperial expenditure.

Mr. AUSTIN CHAPMAN.—Even if the money was provided by the British Government we had no right to waste it. I want to know whether it is a fact that the designer of the Capital City desired that the internment camp should be established in the area set apart as an industrial centre, where the buildings and water and sewerage services could have been devoted after the war to our own

requirements? I am informed that, while he took up that attitude, some other officials in the Department decided that the camp should be erected on a site for a park. I am told that this is true, although I do not vouch for the accuracy of the statement, and that when the designer of the Federal City pointed out that, if the camp were erected in the industrial centre, the buildings and water and sewerage services could be used for other purposes later on, some one else in the Department for whom the Minister must answer, said "No. We will establish the camp on this park site, and when the war is over we can dismantle the buildings and pull up the water and sewerage services." Everybody knew the war would be over some day. If the statement to which I have referred is correct, the position is scandalous. What is the stuff worth today? I understand it is valued at about £20,000, and that they want to foist it on to the Government. Some of the houses are, I believe, being sold, but those that remain will have to be pulled down and the pipes torn up. I suppose about £130,000 has been thrown away. I have been told that it is British money. Well, I am a Britisher as well as an Australian, and I object to British money being wasted in this manner. The Minister should take steps to ascertain what is the real position, and if the statement is not correct we should know why we have been misled. If it is true it points to a scandalous state of affairs. If we had a good practical builder—

Sir JOSEPH COOK.—Where are these statements coming from? It is all very well for the honorable member to talk about them.

Mr. AUSTIN CHAPMAN.—We know the Minister is in favour of the appointment of a Commission. We have seen these statements in the paper before they have been given to the House.

Sir JOSEPH COOK.—You know where they come from.

Mr. AUSTIN CHAPMAN.—I do not know.

Sir JOSEPH COOK.—Yes, you do.

Mr. AUSTIN CHAPMAN.—And I say I do not. I was surprised to see the statements.

Sir JOSEPH COOK.—I am informed by the Minister, and I tell the honorable

member plainly, that only one man saw that statement before it got into the paper. The very language used in the paper referred to is the language in the statement.

Mr. AUSTIN CHAPMAN. — The Minister now tells us that only one man saw the statement before it appeared in the press. I invite him to name the man, and to tell honorable members who is responsible. Will the Minister give the name of the man who has practically given a Cabinet secret away?

Mr. SPEAKER (Hon. Sir Elliot Johnson). — The honorable member is inviting interjections, which are disorderly.

Mr. AUSTIN CHAPMAN. — It is reasonable to ask for this information. The Treasurer has come into this debate with his bluff, but it will cut no ice with me. He has almost led the House to believe that I was the man who gave away this information.

Mr. GROOM. — No; the honorable member is not.

Mr. AUSTIN CHAPMAN. — Well, who is the man who has given away a Cabinet secret? We ought to know.

Mr. NICHOLLS. — We ought to demand his name.

Mr. AUSTIN CHAPMAN. — That is my opinion, at any rate. My complaint is that nothing has been done to push on the work at Canberra. It is of no use for the Minister trying to sit on a rail over this business. He will either have to "go" for the Capital or else against it, and judging by his attitude during the last two or three months he is not very enthusiastic about it. The Treasurer will make the money available any day. There are 10,000 men unemployed in New South Wales, there are 1,000,000 bricks at Canberra, and £50,000 worth of timber, so why, in God's name, do we not spend the money which has been voted, and give these men work to do? Do we want a committee of engineers and architects to build workmen's cottages? The plans are all prepared. The Treasurer knows all this, because he has discussed the matter with me on several occasions. He knows that the workmen would live in the internment houses until the cottages were ready. If we build fifty cottages they would cost only about

£600 a piece. We would then have habitations for the workmen and the administrative buildings would cost £50,000 or £60,000. These would include halls large enough for Parliament to meet in. Hostels and other accommodation for honorable members would cost about another £30,000. These are the figures that have been discussed among honorable members, and would absorb the £150,000 on the Estimates. But the Minister knows that there is over £200,000 available, because other works have to be carried out. It is altogether useless to appoint a committee of experts, and allow this old feud between engineers and architects to continue.

Sir JOSEPH COOK. — But what does the honorable member suggest should be done? There must be some control.

Mr. AUSTIN CHAPMAN. — What would the Treasurer do if he were carrying out this work for himself? Would he spend two or three months waiting for the appointment of some committee, or would he get practical men on the job straight away?

Sir ROBERT BEST. — The Treasurer repudiates any promise. That is the idea.

Mr. AUSTIN CHAPMAN. — This is from the honorable member who said there was no agitation in New South Wales about the Federal Capital.

Sir ROBERT BEST. — Yes, this is the man. And it is a charge which you dare not attempt to refute.

Mr. AUSTIN CHAPMAN. — This is the honorable member who is now trying to crawl away from his statements!

Sir ROBERT BEST. — About the falsehoods? That is my charge, and I repeat it.

Mr. AUSTIN CHAPMAN. — What is the charge?

Sir ROBERT BEST. — A charge of falsehood on the part of certain individuals.

Mr. AUSTIN CHAPMAN. — Will the honorable member name them?

Sir ROBERT BEST. — I gave their names in my speech. You read it, and you will know all about it then.

Mr. AUSTIN CHAPMAN. — But we all know what the country said about your speech.

Sir ROBERT BEST. — I do not know or care.

Mr. AUSTIN CHAPMAN.—To-day I received this telegram—

Being in favour of immediate action to honour constitutional pledge *re* Federal Capital, will you hold up all parliamentary business until definite action is taken to absolutely consummate capital?

Mr. TUDOR.—Who sent that telegram?

Mr. AUSTIN CHAPMAN.—*Smith's Weekly*.

Sir JOSEPH COOK.—And, of course, you proceed to hold up parliamentary business.

Mr. AUSTIN CHAPMAN.—I understand every honorable member of the House got a similar telegram.

Mr. TUDOR.—No. They did not send one to me, and I voted for the expenditure.

Mr. AUSTIN CHAPMAN.—Three or four honorable members have been to me, and shown me their answers. They have answered in the negative. But I say this is a very dangerous position to drift into. Honorable members may laugh and sneer at *Smith's Weekly*, but I have no doubt that paper is trying to do its duty. There is a feeling in New South Wales that we are being humbugged, and are not getting a square deal over this Federal Capital business, and probably *Smith's Weekly*, realizing the feeling throughout New South Wales, is trying to get in first, as newspapers generally do. They want to know what steps honorable members are prepared to take. I have read this telegram for the sake of the honorable member for Kooyong (Sir Robert Best), in order to show him that some interest is taken in this matter in New South Wales.

Sir ROBERT BEST.—Is that the result of the £1,000 propaganda?

Mr. AUSTIN CHAPMAN.—What propaganda?

Sir ROBERT BEST.—Oh, you know all about it.

Mr. AUSTIN CHAPMAN.—I know nothing about it at all. The honorable member is very clever at innuendoes, but I can tell him that I am pretty good at that sort of thing myself if I care to start.

Mr. SPEAKER.—I must ask the honorable member to address the Chair.

Mr. AUSTIN CHAPMAN.—Yes, Mr. Speaker, but it is very difficult when I am dragged off the track like this by honorable members and Ministers.

Mr. SPEAKER.—Unfortunately; the honorable member invites interjections.

Mr. AUSTIN CHAPMAN.—Many years ago I knew that there was a lot of waste going on in connexion with the expenditure on the Capital. I wrote to the Treasurer (Sir Joseph Cook) when he was Prime Minister, telling him all about the thousands of pounds that were being thrown away there and at Jervis Bay. I also asked for an inquiry, which would have cost nothing, but nothing was done then, and nothing has been done since. If we get this Committee of so-called experts, with somebody else advising them, what chance will there be of getting work done at Canberra? If the Minister would get three practical men, and say, "There is a vote of £200,000 for expenditure at Canberra; go in and spend it," something would be done.

Mr. SPEAKER.—The honorable member's time has expired.

Mr. AUSTIN CHAPMAN.—I am very sorry it has expired, because I had a lot of interesting matter which I wanted to give honorable members. I hope the Minister will tell the House why he has not taken some steps to spend this money.

Mr. GROOM (Darling Downs—Minister for Works and Railways) [4.19].—I am sorry efforts are being made, more or less successfully, to envelop this question with a political atmosphere. If there is one matter that should be dealt with in a distinctly national way, and apart from party politics, it is this question of the Federal Capital. I speak neither as a Victorian nor as a New South Welshman. I have always been an advocate for the establishment of the Federal Capital, for I realize that it would be as great a mistake to have it in Sydney as in Melbourne. The House has decided to initiate steps with a view to getting the city in such a state, at the earliest practicable moment, that the Federal Capital, with the Departments attached thereto, can be transferred to Canberra. The duty of the Government is to take such steps, of a sound business-like character, that the work can be carried out as speedily, efficiently, and economically as possible in the circumstances. The sum of £150,000 is the first amount which has been appropriated. Questions have been raised with regard to the expenditure of that sum.

It is about a fortnight ago—after the requisition came from the Home and Territories Department—that Mr. Griffin received instructions to go ahead with certain works in connexion with the Territory.

Mr. AUSTIN CHAPMAN.—What works?

Mr. GROOM.—I have the list here. The matters were set out by Mr. Griffin himself. There is an amount of £1,250 in connexion with general stores; of £6,500 for reimbursements for equipment; of £500, having to do with the lime kiln; £2,250, excavating plant; £4,000, construction of tramway; £25,000, temporary housing from Molonglo camp; and £5,000 in connexion with road formation. Authority for all those items has been given; and there are other matters involved—important works such as sewerage, water supply, electric lighting, &c., as yet unauthorized. There is, further, a large sum for the erection of cottages, authority for the expenditure of which has not yet been given. What the Government had to consider was, what steps ought to be taken to get the business carried out on sound and proper lines. Last year the then Treasurer (Mr. Watt) announced in this House, before the elections, that the Government were of opinion that a Committee should be appointed to advise the Government concerning the steps to be taken in connexion with the occupation of Canberra, and regarding the necessary works to be carried out in order to bring that about. When the House met again after the elections that announcement—involving a promise, as it did—was repeated in the course of the Governor-General's Speech. Honorable members knew all along, then, that this was to be done. Since the authority of the House was given, the whole matter was brought before Cabinet, and Cabinet favoured the proposal for the immediate appointment of a Committee. First it was suggested, and approved, that Mr. Griffin should remain in the capacity of adviser for which he was originally brought out here. The position is that the plan of Mr. Griffin should be preserved as the plan of the lay-out for the Federal Capital. That is the definite position; and Mr. Griffin knows it. He has been told so, on several occasions, by myself.

Mr. Griffin has been already preparing necessary detail plans. In addition, it was decided to pick out works which, irrespective of any Committee, it was known should be gone on with, and this has been done. A further matter had to do with the carrying out of the design. It was intended that Mr. Griffin should remain in his advisory capacity in order to advise the Government should there be any attempt at deviation from the original design. Then came the question of proceeding with the work, and the proposal was to appoint a Committee. That, I desire to say, has not been communicated to the public.

Mr. AUSTIN CHAPMAN.—The press announced it.

Mr. GROOM.—Some person gave the information to the press. In the press it was stated that a written circular had been sent round. Only one copy of a memorandum was given to one particular gentleman.

Mr. AUSTIN CHAPMAN.—Who was that?

Mr. GROOM.—The person knows who has got it. It sets out the proposals of the Government; it was decided to appoint a Committee of five, and upon that Committee it was proposed that Mr. Griffin should act in order to conserve his design. In addition, there was to be an outside architect of eminence, quite apart from Federal control. Then there was also to be a leading engineer, in whom there would be public confidence. Further, Colonel Owen, Director of Works, was to be upon the Committee, in view of his responsibility for the conduct of activities; and also an officer from the Department of Home and Territories, which Department is responsible for the policy of constructing the Capital. It was decided that that Committee should advise the Government concerning exactly what works could be carried out immediately, and that it should prepare a scheme having in view the early occupation of the Federal Capital. The Committee was to report upon a general scheme for that occupation upon the question of the building to be used, temporarily or otherwise, and on the matter of the order in which construction should be undertaken. In addition, with respect to any sums being involved which might exceed an individual total of

£25,000, the Committee was to advise the Government in order that such works should go before the Public Works Committee for investigation. We are proposing to occupy the Federal Territory. We do not want to make mistakes. Mistakes have occurred in the past because works have been started without sufficient knowledge of the objective at which these responsible were aiming. It has now been decided to appoint a competent body of men who will give to the Government a considered report, so that when their scheme is before us and we have appropriated sums from our Estimates, from time to time, we shall have a definite series of works being carried out with the one definite objective.

Mr. AUSTIN CHAPMAN.—We have heard this kind of thing for ten years.

Mr. GROOM.—Something is being done now.

Dr. EARLE PAGE.—If there should be a difference of opinion in the Committee, whose views would be adopted by the Government?

Mr. GROOM.—The Committee will report to the Government, and the Government must take the responsibility. The intention is to appoint Mr. Griffin for a definite term as adviser to the Government, so that the whole plan shall be safeguarded and secured. These matters which I have outlined are sound and proper. The honorable member for Cook (Mr. J. H. Catts) has raked up a whole lot of matter about the Federal Capital. He came here this afternoon with a most carefully prepared speech, comprising voluminous quotations and references.

Mr. AUSTIN CHAPMAN.—Is the Minister referring to me? I had not heard of this matter before I came into the House.

Mr. GROOM.—My first intimation was given me just before the bells rang prior to the House meeting this afternoon.

Mr. J. H. CATTS.—I gave your office notice, though.

Mr. GROOM.—Just before lunch, I now understand. I heard nothing of the matter, however, until I came here.

Mr. AUSTIN CHAPMAN.—What I want to know is whether the Government have yet spent £1 of that item of £150,000?

Mr. GROOM.—I have told the honorable member.

Mr. AUSTIN CHAPMAN.—Nothing has been done there yet. Not a blow has been struck.

Mr. GROOM.—The honorable member will not take a natural impression from the facts, as he ought to do. I have told him that the works are in the hands of Mr. Griffin at present.

Mr. J. H. CATTS.—When were they put into his hands? Will the Minister furnish the date?

Mr. GROOM.—I said, nearly a fortnight ago.

Mr. J. H. CATTS.—That is vague.

Mr. GROOM.—Does the honorable member doubt my word? If honorable members use the Federal Capital question to create a political atmosphere, they will do it a great deal of injury.

Mr. AUSTIN CHAPMAN.—We do not want any of your threats.

Mr. GROOM.—I like that from the honorable member, who threatens violently, but is afterwards as mild as a lamb.

Mr. AUSTIN CHAPMAN.—I shall show you whether I am as mild as a lamb. You never do anything.

Mr. GROOM.—The honorable member will not let the facts sink into his mind.

Mr. AUSTIN CHAPMAN.—Some of your facts are very peculiar. Tell us the name of the officer who gave the information to the press.

Mr. GROOM.—I shall first give him an opportunity to say whether he gave the information to the press. Immediately the Act was passed, the Government took steps to have the matter pressed forward; but we desire to work according to a definite plan, on the advice of officers in whom we have confidence and trust. I do not wish to enter into a controversy as to the merits of the various persons concerned. I do not for a moment question Mr. Griffin's capacity to carry out his design; but the scheme is a big one, involving sewerage, water supply,

and many other large engineering works in regard to which we should get the best advice.

Mr. J. H. CATTS.—Mr. Griffin has always recommended that.

Mr. GROOM.—Then he will be entirely in agreement with what we are doing. As regards the allegations made against other officers of the Department, I may say that the Commonwealth Public Works Department possesses particularly efficient officers. The Parliamentary Standing Committee on Public Works has had these officials before it giving evidence, and has had opportunity of judging of their capacity. We have in the Department capable and efficient men, who should be able to carry out the work that we propose to have done.

Mr. FENTON.—If not, they should be "sacked."

Mr. GROOM.—I agree with the honorable member. The intention is that the Committee shall set to work immediately. We are not delaying in the slightest degree. We ask the members of the Committee to come together at once, and to report as to the work which can be immediately undertaken, so that the scheme may be carried out in an economic and efficient manner.

Dr. EARLE PAGE (Cowper) [4.33].—Before dealing with the past and future administration of the Capital question, I wish to define my attitude towards the determination of Parliament to locate the Capital at Canberra. Various newspaper charges have been made against me because of the action that I have taken in this Chamber, and I therefore say, frankly, that Canberra having been chosen by the deliberate vote of Parliament for the site of the Federal Capital, and a great deal of money having been spent there, I consider that there is only one thing to be done, and that is to go on with the work of building the city; but had I been a member of this House when the location of the Capital was under discussion, I should have suggested a site much further north.

Mr. TUDOR.—Where? * The Armidale site?

Dr. EARLE PAGE.—A site on the Guy Fawkes plateau, which is in my electorate, and would have proved a very

good position for the Federal Capital. However, the location of the Capital has been determined, and I think that the time has arrived when the Government should take in hand the building of the city; at any rate, to such an extent as would permit the Federal Parliament to meet at Canberra. I trust that the expedition shown will at least enable the Constitutional Convention to meet there next year. But while anxious that progress shall be made in the building of the city, I should like to elicit from the Minister a statement as to the manner in which the money voted for the necessary works is to be spent. The old way was, apparently, for departmental officers to refuse to accept outside expert opinion as to the best method of carrying out fundamental public works, with the result that any one visiting Canberra can see at a glance that hundreds of thousands of pounds have been wasted there. I differ from the honorable member for Eden-Monaro (Mr. Austin Chapman), who thinks that the opinion of expert engineers should not be obtained.

Mr. AUSTIN CHAPMAN.—In regard to the building of cottages?

Dr. EARLE PAGE.—The general expenditure should be in accordance with a well-considered plan, and on the advice of experts. Money has been spent on a water supply and power scheme which competent engineers have declared to be a wasteful one. There was no excuse for this mistake, because years before the scheme was undertaken, Mr. Corin, the Chief Electrical Engineer in the Department of Public Works, New South Wales, suggested that, without any great expense, a water supply and a hydro-electric supply sufficient for a town of 100,000 persons could be obtained with a gravitation scheme. According to Mr. Corin—

A preliminary report embodying these proposals was communicated to the Federal authorities, which, however, received criticism at the hands of one of their technical advisers, who, in spite of some pains taken to explain the point, did not appear to understand the functions of the balance reservoir, and seemed to think that it was essential to a hydro-electric scheme for the maximum demand to be maintained continuously.

The Department carried out a scheme which necessitated the employment of a steam pumping plant, working continuously, to supply Canberra and Duntroon

with water. In constructing reservoirs, the Department put one some 30 feet below another, with a space of about 4 miles between them, with the result that the second reservoir is practically useless for the reception of supplies from the first.

Mr. GROOM.—On what opinion do you base that statement?

Dr. EARLE PAGE.—That is the information supplied in Mr. Oliver's report.

Mr. GROOM.—His opinion is not borne out by practical experience. We have been working this scheme for some time now, and know, therefore, what it costs.

Dr. EARLE PAGE.—Mr. Corin, in a paper which was published after Mr. Oliver's report, says—

Comparative estimates of a steam supply at Canberra, with electric pumping and the gravitation scheme advocated by the author for the hydro-electric supply, show that the cost of water and electrical energy for the former would be 4.6d. per 1,000 gallons and 0.98d. per unit respectively; and for the latter 3.4d. per 1,000 gallons and 0.57d. per unit, it being understood that the exact division of the charges between water supply and power is necessarily to a large extent empirical.

Mr. GROOM. — Experience has shown that outside criticism was mistaken regarding the cost of the pumping scheme.

Dr. EARLE PAGE.—The figures I have just given relate to the cost to the users of water and electrical energy. It was urged against the gravitation scheme that it would be impossible to put in at the beginning a plant for the supplying of 100,000 persons, but Mr. Corin pointed out eight years ago that the gravitation scheme could be carried out in three divisions as the population increased, supply being provided in the first instance for a population of from 10,000 to 15,000; secondly, for one of from 20,000 to 50,000; and thirdly, for one of from 50,000 to 100,000.

Mr. J. H. CATTS. — Mr. De Burgh showed in 1908 that that was the proper scheme.

Dr. EARLE PAGE. — So-called experts have overridden the advice of men who "had no axe to grind," and have disregarded the suggestions that they have made. I should like an assurance from the Minister that in future the best advice will be taken, and that the departmental friction of the past shall not be allowed to continue. While I am anxious for the erection of the Federal

Capital at Canberra, I do not wish to see money wasted there as in the past. The Minister has spoken of Mr. Oliver's report as having been falsified by experience, but in 1916 Mr. Oliver objected to the departmental pumping scheme for these reasons—

1. The necessity of having to pump the water to such an elevation and the consequent expense of doing so;

2. The height at which the service reservoirs are placed above the city, being such that an unusually severe strain would be imposed upon all fittings. These pressures are, I consider, excessive.

I understand that there is a pressure of 250 lbs. to the square inch on all the town fittings, which means continual leakages, destruction of valves, and bursting of pipes.

3. The use of cast iron in the rising main to the pipehead reservoir at Mount Stromlo instead of steel.

Eight years ago we may have been able to run risks in the expenditure of public money, but now, in view of our war indebtedness, we have no money to waste. Therefore, we should not permit feuds between responsible officers to prejudice the public interest, and should insist that the suggestions of outside experts, when substantially buttressed by good professional opinion, should receive consideration.

Question—That the House do now adjourn—put. The House divided.

Ayes	15
Noes	27

Majority	12
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AYES.

Anstey, F.	McDonald, C.
Brennan, F.	Nicholls, S. R.
Considine, M. P.	Page, James
Cunningham, L. L.	Tudor, F. G.
Gabb, J. M.	West, J. E.
Lavelle, T. J.	<i>Tellers:</i>
Lazzarini, H. P.	Catts, J. H.
Mahon, H.	Mahony, W. G.

NOES.

Bayley, J. G.	Jowett, E.
Best, Sir Robert	Lister, J. H.
Bruce, S. M.	Marks, W. M.
Cameron, D. C.	Page, Dr. Earle
Chapman, Austin	Poynton, A.
Cook, Sir Joseph	Prowse, J. H.
Cook, Robert	Rodgers, A. S.
Foster, Richard	Ryrie, Sir Granville
Fowler, J. M.	Smith, Laird
Gibson, W. G.	Wienholt, A.
Greene, W. M.	Wise, G. H.
Groom, L. E.	<i>Tellers:</i>
Hay, A.	Burchell, R. J.
Hughes, W. M.	Story, W. H.

PAIRS.

Moloney, Parker	Atkinson, L.
McGrath, D. C.	Bamford, F. W.
Ryan, T. J.	Bell, G. J.
Mahony, W. G.	Blundell, R. P.
Blakeley, A.	Bowden, E. K.
Watkins, D.	Jackson, D. S.
Riley, E.	Livingston, J.
Charlton, M.	Mackay, G. H.
Mathews, J.	Gregory, H.
Fenton, J. E.	Fleming, W. M.
Makin, N. J. O.	Marr, C. W. C.

Question so resolved in the negative.

COMMONWEALTH LOANS.

COST OF FLOTATION.

Mr. FENTON (for Mr. MAKIN) asked the Treasurer, *upon notice*—

1. What were the costs per cent. in connexion with the flotation of the respective loans raised by the Commonwealth Government?

2. What amount was expended on giving publicity to the recent Peace Loan of the Commonwealth?

3. What was the amount of brokerage fees paid in connexion with such loan?

Sir JOSEPH COOK.—The answers to the honorable member's questions are:—

1. 1st issue, 5s. 4d. per cent.; 2nd issue, 4s. 8d. per cent.; 3rd issue, 4s. 5d. per cent.; 4th issue, 4s. 3d. per cent.; 5th issue, 5s. per cent.; 6th issue, 5s. 8d. per cent.; 7th issue, 6s. 4d. per cent.; 8th issue, 7s. 10d. per cent.; 9th issue (second Peace Loan), 7s. 10d. per cent. (approximate).

2. All accounts have not yet been received, but the expenditure on all forms of publicity, including advertising and expenses of committees, is estimated at £47,000.

3. Brokerage fees and commission to authorized agents, £18,610.

WHEAT POOLS.

ADVANCES BY BANKS.

Mr. FENTON (for Mr. MAKIN) asked the Treasurer, *upon notice*—

What are the respective amounts advanced by each of the banks to finance the various Wheat Pools, and what rates of interest did they receive?

Sir JOSEPH COOK.—The banks have not advanced specific amounts to finance the Wheat Pools, but the overdrafts at each State capital have been adjusted from week to week, so that the total overdraft is apportioned between the banks in relation to their deposit

business. According to the latest advances, the wheat accounts are in credit, but the overdrafts resulting from the further payments to growers of £1,830,000, which commenced on 5th instant, will be adjusted between the banks as set out above. The rate of interest paid to the banks was 5 per cent. per annum.

SALE OF COPRA AT RABAU.

Mr. CUNNINGHAM asked the Minister for Trade and Customs, *upon notice*—

1. Is it a fact that an officer from the Customs Department recently called on certain firms in Sydney and asked for alternative quotations f.o.b. Rabaul and c.i.f. Sydney for 2,000 tons of copra which had been expropriated by the Board at Rabaul?

2. Is it a fact that only a few hours were given in which to complete the quotation?

3. Is it a fact that this copra was subsequently sold at Rabaul?

4. If so, who purchased the 2,000 tons of copra, or any portion of it, and what was the price paid?

5. Is it a fact that the firm of Burns, Philp, and Company purchased about 1,700 tons, more or less, of this copra?

6. If so, at what price per ton?

7. Were tenders invited for this copra?

8. If not, why not?

9. Is it a fact that Mr. W. G. Lucas, late of Burns, Philp, and Company, who went to New Guinea as the Government representative, is returning by the warship *Melbourne*?

10. If so, what is the reason?

Mr. GREENE.—The information is being obtained.

SUPPLY OF WHEAT FOR GRISTING.

Mr. FENTON (for Mr. MAKIN) asked the Prime Minister, *upon notice*—

Whether the Government can announce what arrangements will be made in the immediate future for the re-opening of the flour mills by an adequate supply of wheat being made available for gristing purposes?

Mr. WISE (for Mr. HUGHES).—Considerable quantities of flour gristed in anticipation of sale are still held by the States unsold. The gristing of further quantities for export would have involved

the diminution of the stocks of wheat available for overseas sale, and the consequent loss of favorable opportunities of realization. At present it cannot be stated when the export business will be resumed.

ASSISTANCE TO RIFLE CLUBS.

Sir GRANVILLE RYRIE.—With reference to a question asked by the honorable member for Wakefield (Mr. Richard Foster) on the 29th October on the subject of grants of ammunition for rifle club purposes, I desire to state that a sum of £50,000 is provided on the current year's Estimates for general expenses of rifle clubs and associations. In addition, the Minister has approved of a free issue of ammunition to the value of £30,000, calculated on the basis of actual cost to the Department, besides a free issue of approximately 9,000,000 rounds of ammunition (valued at £15,000) for use at Association and Union prize meetings. As stated in the recent announcement of defence policy by the Minister, these must be understood as representing the full extent of assistance to be given by the Government in the way of subsidy to rifle clubs.

YEOMAN WHEAT YIELDS.

Mr. GREENE.—On 17th September the honorable member for Melbourne (Dr. Maloney) asked me the following question:—

Will the Minister for Trade and Customs (Mr. Greene) follow up the courtesy which he showed to me some time ago in obtaining information concerning the wonderful variety of seed wheat known as Yeoman, which gives up to 96 bushels per acre. I ask the Minister if he will endeavour to obtain a supply of this variety from the Imperial Government for the use of the wheat-growing States of Australia?

In reply, I said—

I will have the matter inquired into. I think it probable that the agricultural experimental stations under the control of the various State Governments will have taken up the subject.

I am now in a position to furnish the following information which has been supplied by the Premiers of the various States:—

New South Wales.—The Department of Agriculture states that the Yeoman variety

of wheat is to be tested this year. The variety is extremely late, however, and not suitable even for the Glen Innes district. It is a typical English wheat, and a very heavy stooler. A complete report on the trial of this wheat will be available in about January next.

Victoria.—No experiments have been conducted in Victoria as yet with the new variety of wheat called Yeoman, but it is proposed to procure some seed of this variety in time for the next sowing season.

Queensland.—No tests have yet been made in Queensland of Yeoman wheat.

South Australia.—The Director of Agriculture has reported as follows:—"We have no record of local experience with the variety of wheat known as Yeoman. A few ears of this wheat, however, were handed to us last season, and we distributed it over the Government farms. Speaking generally, however, I may state that wheats that are heavy yielding under a climate such as that of England, very rarely, if ever, succeed under South Australian conditions. We have repeatedly tested varieties alleged to have given heavy yields in countries such as England, but have always found them more or less unsuited to local conditions. Personally, I see no reason for believing that Yeoman wheat will prove any more useful than other varieties that have been introduced in the past."

Western Australia.—Both Browick and Red Fife varieties (the Yeoman is a hybrid between these), have been planted in the test rows at the Chapman and Merredin Experimental Farms in this State, last planting season. Past experience, however, indicates that they are not likely to prove as suitable for our conditions as they are reported to have proved under British conditions.

Tasmania.—Yeoman wheat appears to be unknown in this State, and no experiments have been made with it.

COMMONWEALTH BANK BILL.

SECOND READING.

Debate resumed from 4th November (*vide* page 6187), on motion by Sir JOSEPH COOK—

That this Bill be now read a second time.

Mr. TUDOR (Yarra) [4.55].—I shall not be long in discussing this measure; but I say at once that I regret that the Treasurer (Sir Joseph Cook) has intimated that it is his intention to strike out one of the most important clauses of it. In considering this Bill, my mind goes back to 1911, when Mr. Fisher introduced the first Commonwealth Bank Bill. If honorable members will turn to page 2644 of *Hansard* for 15th November,

1911, they will find the following report:—

Mr. FISHER (Wide Bay—Prime Minister and Treasurer).—I move—

That this Bill be now read a second time.

Sir JOSEPH COOK.—Sovereigns for every one!

It will be seen that the right honorable gentleman could not wait until the Prime Minister and Treasurer of that day had advanced a single argument in support of the Bill before he made that sarcastic interjection, "Sovereigns for every one!" Yet he is to-day standing sponsor for an amendment of the Commonwealth Bank Act. During the discussion on the motion for the adjournment of the House I took advantage of the opportunity to read some of the speeches made by honorable members on the motion submitted by Mr. Fisher for the second reading of the Commonwealth Bank Bill in 1911.

Sir JOSEPH COOK.—Does the honorable member think he is still sane after reading those speeches?

Mr. TUDOR.—I wish to say that I was very much struck with the remarks of the then honorable member for Wentworth (Mr. Kelly) and of the present Minister for Trade and Customs (Mr. Greene). I find that in the course of the debate Mr., now Senator, Fairbairn predicted that all the Caucus would be directors of the Bank. The late Lord Forrest said, among other things—

The Government has not proved that the measure is urgently needed, or that there is even a gap which it will fill. It is doubtful whether the Constitution empowers us to create a Bank.

I have copied from the report of the debate the remarks which I have attributed to Senator Fairbairn and the late Lord Forrest as typical of the hostility shown by honorable members opposite to the establishment of the Commonwealth Bank, which they have since taken every advantage of, and to-day there is not one man who was opposed to the establishment of the Bank in 1911 who would advocate wiping it out. Its establishment is evidence of the foresight of members of the party that I have the honour to lead, because we had in our programme for some time the creation of a National Bank. I admit that I could wish that the Commonwealth Bank had greater powers than it has.

Sir JOSEPH COOK.—Then the honorable member is going back on it.

Mr. TUDOR.—I stand by the interjection I made the other day when the right honorable gentleman was moving the second reading of this Bill. When speaking of the investment of the funds of the note issue in the ordinary business of the Bank, the right honorable gentleman said—

I do not think the Bank in that regard should be given privileges which other banks do not possess.

I interjected that I would certainly be prepared to give the Commonwealth Bank advantages over and above those given to private banks. I stand by that statement.

I wish to refer honorable members to some particulars supplied by Mr. Knibbs in his article on "Banking," which appeared in No. 11 of the *Commonwealth Year-Book* for 1918, and which is published in that issue much more fully than it appears in the issue for the following year. He gives the names of various banks, their capital, dividends paid, and the amount of their reserves. Honorable members will find that in dealing with the Commonwealth Bank he gives the following particulars:—Paid-up capital, nil. Rate per cent. per annum of last dividend or bonus, none. Amount of last half-yearly dividend or bonus, nil. Amount of undivided reserve profits, £526,292. I find, according to the Budget-papers, that that amount has now reached £2,363,000.

Sir JOSEPH COOK.—We have had none of that.

Mr. TUDOR.—No, but the Bank has made profits to that amount, and they stand to its credit to-day.

I shall mention the honorable members of the House who voted against the Commonwealth Bank Bill which brought the Commonwealth Bank into existence. Among them were the honorable members for Parramatta (Sir Joseph Cook), Wakefield (Mr. Richard Foster), Richmond (Mr. Greene), and Eden-Monaro (Mr. Austin Chapman), and also the present Speaker (Sir Elliot Johnson). Of course, the division was on party lines. Honorable members voted to kill the Bill.

Sir JOSEPH COOK.—No. We wanted a different kind of Bank.

Mr. TUDOR.—That is not so. Honorable members voted to kill the Bill.

The following is a table prepared by sources of Australian cheque-paying banks in the years 1916-1917:—

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amount of last Half-yearly Dividend and Bonus.	Amount of Reserved Profits.
	£	%	£	£
Commonwealth Bank of Australia .. .. .	.. .. .	.. .. .	.. .. .	526,292
Bank of Australasia	2,000,000	14, and 12s. bonus	170,000	2,962,650
Union Bank of Australia Limited	2,000,000	14	140,000	2,031,850
English, Scottish and Australian Bank Limited ..	539,438	8	43,155	483,885
London Bank of Australia Limited	669,670	7	23,200	375,681
Bank of New South Wales	3,894,980	10	97,374	2,914,827
Commercial Banking Company of Sydney Limited	2,000,000	10	100,000	1,952,758
Australian Bank of Commerce Limited.. .. .	1,198,679	3	17,980	103,464
City Bank of Sydney	400,000	4	8,000	53,139
National Bank of Australasia Limited	1,498,220	7	52,437	663,694
Commercial Bank of Australia Limited.. .. .	2,213,009	4	42,347	7,383
Bank of Victoria Limited	1,478,010	6	44,340	440,155
Colonial Bank of Australasia Limited	439,280	7	15,375	286,133
Royal Bank of Australia Limited	300,000	8	12,000	278,156
Queensland National Bank Limited	480,000	.. .. .	.. .. .	36,934
Bank of Queensland Limited	450,000	.. .. .	.. .. .	.. .. .
Bank of Adelaide	500,000	8	20,000	556,173
Western Australian Bank	250,000	20	25,000	713,370
Commercial Bank of Tasmania Limited	200,000	14	14,000	271,422
National Bank of Tasmania Limited	195,250	7	6,834	86,581

The other day the Treasurer (Sir Joseph Cook) told us that, during the war, the Bank of England was making no greater profit than it was making prior to the war, but that remark is not true as applied to Australian banks; because they took as much advantage of the war conditions as did any other section of the community. As a matter of fact, their reserved profits are higher than the original capital put into them, as for instance, in the case of the Western Australian Bank, whose paid-up capital is only a little over a third of its reserved profits. Yet the Treasurer says that he will not give the Commonwealth Bank—the Bank owned by the whole of the people of Australia—any advantage over private banks.

Sir JOSEPH COOK.—What advantage could the honorable member give it?

Mr. TUDOR.—I would give it every possible advantage I could give it. The Treasurer tells us that he intends to eliminate the proposed new section 60c, relating to the portion of their reserves which banks are to hold in Australian notes, and says that this matter will be covered by a complete Banking Bill.

Sir JOSEPH COOK.—I said that it should be.

Mr. TUDOR.—That makes the position still more remote. Is this a sop to the banks? Is it done in the interests of the people of Australia, or is it proposed to eliminate this paragraph in order to get the banks to help to finance the wheat guarantee? Have the institutions put a pistol at the head of the Treasurer and said, "Unless you eliminate that provision we will have nothing to do with the financing of the wheat crop?"

Sir JOSEPH COOK.—No. They did not, or anything like it.

Mr. TUDOR.—I am glad to hear the Treasurer make that statement, but it is most peculiar that, after a Bill has been submitted, presumably after consultation with the Treasury officials and possibly with banking officials, we should learn, even before the Treasurer had made his second-reading speech upon it, that a vital clause specifying the proportion of its deposits each bank shall hold in Australian notes was likely to be altered. I admit that the Treasurer told us early in his second-reading speech that he proposed to eliminate this provision.

I asked the Treasurer by interjection during his speech whether the Commonwealth Bank would be able to issue as

many notes as it liked, and he said that it would be entirely within its power to issue more or less just as it liked. Some honorable members have complained that the note issue is inflated. They contend that it is quite possible prices would come down if it were deflated. Of course, as I interjected the other day when the Treasurer was speaking, prices are high to-day because so many men have been withdrawn from productive industries. If we withdraw 20,000,000 men from production, and place them where their task is nothing but destruction, it necessarily means that less articles are produced and that the cost of them considerably increases.

The Treasurer tells us that the note issue ought to be removed from political control, he advanced as another reason for transferring its control to the Commonwealth Bank the fact that the Bank has branches all over Australia, while the Treasury has none. As a matter of fact, the Treasury does not distribute the notes except at the head office, and, perhaps, at a few sub-branches. They are now distributed by the banks. It is their proper function to do so. If the Commonwealth Bank is to do this work now it will be obliged to keep sufficient supplies of notes on hand in every capital, and will thus relieve the private banks of the necessity to send to the Treasury in Melbourne for the notes, and transmit them to their various branches.

I would like to hear what remuneration is to be paid to the board of directors which is to control the note issue, and whether the directors will be permitted to interfere with the other work of the Commonwealth Bank. Will they simply control the note issue?

Sir JOSEPH COOK.—Exactly.

Mr. TUDOR.—Will they have anything to do with the other work of the Bank?

Sir JOSEPH COOK.—Nothing whatever.

Mr. TUDOR.—Will they devote the whole of their time to the work of controlling the note issue?

Sir JOSEPH COOK.—The two directors to be appointed, other than the Governor of the Bank and the Secretary of the Treasury, will be reputable business men chosen from outside to act in the same

way as the Trustees of the Melbourne Savings Bank act now.

Mr. TUDOR.—That is to say, while they will not be employed full time on this work, and while their fees may amount to a fair sum per annum, they will not be receiving anything like the salaries drawn by bank managers?

Sir JOSEPH COOK.—They will receive just the fee for each day they sit.

Mr. TUDOR.—The Treasurer has told us that the gold reserve provided is 25 per cent. of the note issue. When the Commonwealth Bank Bill was under consideration in this House, there was some very severe comments on that particular proposal, and this is what the right honorable gentleman himself said on that occasion—

I always congratulate the Labour party on the possession of a mild-mannered Prime Minister, such as they have, for I think he would disarm—

Mr. PAGE.—Joseph Cook.

Mr. JOSEPH COOK.—Well, he does disarm me. I cannot find it in my heart to attack him. There is that in his exterior which would deceive any one of us if we did not know what was underneath it. Beneath it all, however, we know that there is a perfect Machiavellian purpose. I desire to show how far away he is in regard to this Bill from the people on whose support he relies to carry it. It is my duty to show what they expect, and what he proposes to give. So far as the great struggling masses outside are concerned, this is another piece of Dead Sea fruit that the Government are offering them. . . . The Prime Minister told members of the Opposition that the fact that the Commonwealth Bank will compete with private banks should not give them concern, because they profess to believe in private enterprise; but he gave no good reason for this revolutionary proposal. My main objection to the Bill is that it provides for a politically-controlled bank. . . . This Bill ties the Governor of the Bank to the Treasurer in a way which, I believe, is very sinister, and will work out to the detriment of the Bank, and the country. . . . Whatever the ultimate purpose may be, they are setting up a control which will make it almost impossible to conduct the Bank on ordinary sound business lines.

With the experience he has had in the last eight or nine years, does the Treasurer still say that a control was set up which made it almost impossible to conduct the Bank on ordinary sound business lines?

Sir JOSEPH COOK.—That is precisely what I am saying, and now I am endeavouring to remove this matter from Treasury control.

Mr. TUDOR.—Does the Treasurer still contend that beneath it all there was a perfect Machiavellian purpose, and that the Bank has done no good to Australia?

Sir JOSEPH COOK.—I do not believe that the Bank has done any good to the workers of the country in the sense they expected.

Mr. TUDOR.—I believe it has done an infinite amount of good to the people of Australia. If it had not been for the Commonwealth Bank and the note issue this country would not have got through the war as well as it did. The right honorable gentleman went on to say further—

I should like to know where the business of the bank is to come from. I should have thought that the Prime Minister would tell the House where he expected to get it from. He should have done what any outside company would do when issuing a prospectus. . . . These are urgent reasons why the House ought to pause before plunging into this enterprise, which must be fraught with serious consequences to the future of Australia.

Every prognostication of the right honorable gentleman on that occasion has been falsified. The Bank has done good work, and not one honorable member who opposed the Bill in 1911 would now oppose passing it into law.

Sir JOSEPH COOK.—I certainly would on its present lines. I believe to-day that it is not on proper lines.

Mr. TUDOR.—But in 1911 the honorable member and others sitting with him opposed the whole project, root and branch. The following voted against it:—Sir Robert Best, Sir Joseph Cook, Mr. R. Edwards, Mr. G. Fairbairn, Sir John Forrest, Mr. Richard Foster, Mr. J. M. Fowler, Mr. G. W. Fuller, Mr. D. J. Gordon, Mr. Massy Greene, Mr. L. E. Groom, Mr. R. Harper, Mr. W. M. Hedges, Mr. W. H. Kelly, Mr. W. J. McWilliams, Mr. A. C. Palmer, Sir John Quick, Mr. G. de L. Ryrie, Mr. Carty Salmon, Mr. S. Sampson, Mr. H. Sinclair, Mr. John Thomson, and Mr. Agar Wynne, the tellers being Mr. L. Atkinson and Mr. W. Elliot Johnson. The pairs against it comprised the following:—Mr. J. Livingston, Mr. Hans Irvine, Mr. Bruce Smith, Mr. W. H. Irvine, Mr. A. Deakin, and Mr. P. McM. Glynn. That division took place upon an amendment to the motion for the second reading of the Bill, affirming that

it should be referred to a Select Committee. Honorable members know that there are two or three ways of killing a measure.

Sir JOSEPH COOK.—That amendment was not designed to kill the Bill, but to improve it.

Mr. TUDOR.—One of the methods adopted for killing a measure is to submit an amendment affirming that it should be referred to a Select Committee. I can only recall one occasion upon which such an amendment has been carried. That was in 1901, upon the motion for the second reading of the Iron Bonus Bill. The result of the adoption of that amendment was that the question was not again dealt with until 1908. The measure was thus killed for a period of seven years. The Treasurer has told us that the Bank of England is satisfied to make only pre-war profits. May I quote the *Australasian Insurance and Banking Record* for February of the present year?

Sir JOSEPH COOK.—I did not say that the Bank of England is satisfied to make only pre-war profits. I said that it was satisfied to make only those profits during the war.

Mr. TUDOR.—But our private banks were not satisfied to make pre-war profits during the war. They made as much as they could.

Sir JOSEPH COOK.—How much did the Commonwealth Bank make during the war?

Mr. TUDOR.—I have not the figures by me.

Sir JOSEPH COOK.—It is convenient for the honorable member not to know. What is the use of the honorable member talking as he is doing?

Mr. TUDOR.—Does the Treasurer desire me to sit down and allow him to have his own way entirely? When I tell him that the private banks in the Commonwealth were not satisfied to make only pre-war profits during the war period, he asks, "How much did the Commonwealth Bank make during the war?" I believe that it did fairly well.

Sir JOSEPH COOK.—It made larger profits than any other bank in Australia. The honorable member did not mention that.

Mr. TUDOR.—But for the Commonwealth Bank the private banks would have made very much higher profits than they did. It was only the restraint which

was imposed upon them by the Commonwealth Bank which prevented them from doing just as they chose with the people of Australia. The Commonwealth Bank is giving better terms to its customers to-day than are any of the private banks, notwithstanding that it started without capital, and notwithstanding that we were assured upon its inception that the £1,000,000 which the Labour Government proposed to put into it would be simply frittered away. The *Australasian Insurance and Banking Record* for February last sets out that the total deposits of the ordinary banks and of the Commonwealth Bank compared with those of the December quarter in the six previous years as follows:—

December Quarter.	Ordinary Banks.	Commonwealth Bank.
	£	£
1913 ..	171,482,365	1,487,316
1914 ..	177,695,435	3,619,048
1915 ..	191,654,761	10,017,014
1916 ..	191,941,355	29,602,624
1917 ..	207,909,959	23,223,829
1918 ..	217,841,635	51,004,374
1919 ..	248,238,766	32,346,029

From the same journal of 21st October, 1920, I gather that during the September quarter of 1919, the ordinary banks had £27,031,599 in deposits not bearing interest, and this amount had increased during the September quarter of the present year to £35,205,331, an increase approximately of £8,200,000. But their fixed deposits bearing interest increased only from £27,286,453, during the September quarter of 1919, to £30,288,489 during the September quarter of the present year. It will be seen, therefore, that the private banks can well look after themselves, and, consequently, this Parliament should do its best to help our own Bank. I have never professed to be an authority upon finance, although a great many other honorable members adopted that rôle when the last Bank Bill was before us. But we ought to endeavour, wherever possible, to assist our own Bank and to place every facility in its way. I know that some State Governments do not help the Commonwealth Bank, but prefer to assist private banks in opposition to it. I have here a few figures extracted from a return published in the Victorian Government *Gazette*, which will serve to show how the Victorian Government boycotts the Commonwealth Bank in favour of pri-

vate banks. That Government, in August, 1917, had the following deposits in the various banks mentioned:—

Name of Bank.	Not bearing interest.	Bearing interest.
	£	£
Australasia ..	35,501	46,670
Union of Australia ..	22,772	594,644
New South Wales ..	Nil.	379,383
Victoria Ltd. ..	44,528	796,673
London, of Australia ..	26,881	674,786
E. S. and A. Ltd. ..	22,463	662,991
Colonial of Australasia ..	51,133	464,544
National of Australasia ..	88,948	862,447
Commercial, of Australia ..	27,182	447,980
Royal, of Australia ..	42,119	554,012
Commonwealth Bank of Australia ..	Nil.	Nil.
Total	£363,460	£5,504,133

We have reason to ask why the Victorian Government boycotts the Bank which is owned by the whole of the people of the Commonwealth in favour of private banks. However, the Bill which we are now considering is more a machinery measure than anything else. Whether it is wise to transfer the Commonwealth note issue from the Treasury to the Commonwealth is a debatable question, and I shall be interested to hear the opinions of financiers upon the matter. Personally, I am anxious to do everything that I can to assist the Commonwealth Bank in order that it may have a fairer run in the future than it has had in the past.

Mr. JOWETT (Grampians) [5.27].—

It seems to me that the motion for the second reading of this Bill affords honorable members an opportunity—of which I hope the fullest advantage will be taken—of discussing not merely the question of the issue of Australian notes and of the currency generally, but also the effect of the note issue upon the prices of commodities within the Commonwealth. One of the main objects of the measure is to transfer the control of the issue of Commonwealth notes from the Treasury to the Commonwealth Bank under the supervision of a special Board which is to be created for the purpose. Personally, I regard the proposed alteration as an improvement upon the past method of controlling our note issue, although I have not one word of reproach to utter in regard to what has been done under the existing control. We are all agreed

that one great object in the control of our note issue should be the stability of the currency and the stability of prices. Honorable members who have studied the history of note issues in the past will recognise that the evil of excessive issues has been due to the necessities—sometimes the political necessities—of various Governments. Notes have been issued in excess of the reasonable requirements of a country, and the issues have been deflated. They have become enormously depreciated, not because those in charge of the Government have deliberately intended that the issue shall be in excess or the currency depreciated, but because the financial necessity of their position seems to indicate the issue of notes as the best course.

Sir JOSEPH COOK.—It is a great temptation.

Mr. JOWETT.—It is; but I am delighted to think that there is no fear of the right honorable gentleman, as Treasurer, succumbing to any such temptation. Any step that removes the control of the note issue from the Government, and places it in the hands of what I may call an independent Board, must make for the stability of prices and of the currency. Although I notice that in the Bill the Government reserve the right to interpose in what might be termed extreme cases, there can be no doubt that the establishment of this Board of control will serve as a great check should any such temptation assail a future Treasurer.

I should like to say a few words on the immense importance of the stability of prices. Every one will agree that if it were possible it would be highly desirable in every community to have the prices of commodities stable; that is, that those who produce commodities should be able to reasonably calculate ahead what their prices will be in the future.

Mr. GABB.—Where would the speculator come in then?

Mr. JOWETT.—I am sure there is no one who desires that any number of people should be attracted from what one might call productive occupations and pursuits, and led to make a living in the vortex of speculation. It is not in any way desirable that people should make a living by any form of speculation. I do not think I need say more than I have to emphasize the desirability of stable prices; nor do I wish to dwell long on the

enormous extent to which prices of commodities are compelled to fluctuate by reason of fluctuating currencies. There are many causes of these fluctuations in prices; there may be a great failure of the crop of corn, oats, or other product, and prices necessarily rise in consequence of the enormous decrease in the supply. There may also be most bounteous crops followed by a natural fall in prices; but eliminating all the causes which are beyond human power to control—apart also from any fluctuation in prices due to some special demand—

Mr. GABB.—Or a little manipulation.

Mr. JOWETT.—I may even emphasize that interjection by saying very considerable manipulation. There is no doubt that these great variations in prices, anticipated as they are by some people who make special study of them, are responsible for great manipulation. There is also the effect on prices of the great Combines and Trusts, which in recent years have become so much in evidence.

Mr. MAKIN.—You are not suggesting that there are such things in existence?

Mr. JOWETT.—Not only do I make that suggestion, but I say that, in my opinion, those Trusts and Combines are among the greatest menaces to mankind at the present moment. As I have said here several times before, anything I can do to destroy them, and impose on those responsible for them the utmost penalty of the law, I am prepared to do.

Mr. MAKIN.—This is a new version!

Mr. JOWETT.—Not at all. Leaving on one side all the other causes of fluctuation in prices it cannot be denied that fluctuations of the currency have an enormous effect on prices, and are an unmitigated evil. It is a great evil when, owing to any country or countries being flooded with new currencies, prices rise excessively. This imposes great hardship on a great many people; any benefit there may be derived by the comparatively few, and is small compared with the enormous loss to the many. Similarly, it is a great evil, if not a greater evil, when owing to the contraction of the currency, or "deflation," as it is sometimes termed, an enormous decrease in prices is brought about. In that case, widespread ruin is brought to vast numbers of people engaged in the most important of all

industries, the primary productive industries and also to those engaged in the secondary industry.

Mr. CONSIDINE.—Do you suggest that the vagaries in the currency are the main cause of the great increase or decrease in prices?

Mr. JOWETT.—I have just said there are many other causes.

Mr. CONSIDINE.—Do you consider it the main cause?

Mr. JOWETT.—I think that where there is a large paper currency, especially when that currency is inconvertible, the great and abiding cause—although it is almost a paradox to say so—is the fluctuation in the supplies of currency.

I should like to refer briefly to one or two very remarkable and typical instances of the evil done by such fluctuations. I refer first to the experiment tried in France in the early days of the Revolution, an experiment which lasted from 1789 to 1796. The Revolutionary Government issued what are known as *assignats*—a vast issue of paper money on the credit of the national lands of France. It will be remembered that after the Revolution had been in progress for some time, the Government annexed large areas of land formerly owned by the nobles and by the Church. These were the national lands, and the theory then held—curiously enough the same theory crops up even to-day, and I am not sure it will not crop up during this debate—was that the national lands of France were of such colossal value that notes could be issued on the security of them without any fear whatever of the notes being depreciated. Every one of these *assignats* was practically a mortgage on the national lands—the national lands were assigned to the owners of the notes, and hence the name.

Mr. GABB.—Britain had a bit of a say in the breaking down of that system.

Mr. CONSIDINE.—The British Government forged French notes.

Mr. JOWETT.—Theoretically and imaginatively, the honorable member may be correct, but historically there is a great deal in what he says to which I take exception.

Mr. CONSIDINE.—It is a historical fact that Britain supplied forged French notes.

Mr. JOWETT.—I believe there is not sufficient historical evidence to support

that statement; the causes of what followed were very different. It is very interesting to know that when the *assignats* were first issued, the French philosopher, Mirabeau, one of the greatest amongst many great revolutionary philosophers, was a strenuous advocate of the course taken; and I should like to read what he said in the course of the discussion on the question. I think I have heard in this Chamber, during the last few weeks, expressions of opinion very similar to those of Mirabeau. He said of the *assignats*:—

They represent real property, the most secure of all possessions, the soil on which we tread. There cannot be a greater error than the fear, so generally prevalent, as to the over-issue of *assignats*. . . . re-absorbed progressively in the purchase of the national domains, this paper money can never become redundant.

That was the theory of the great French philosophers and patriots of the Revolution.

Mr. CONSIDINE.—Of course they did not allow for forgery!

Mr. JOWETT.—I have thoroughly investigated the charge that the over-issue and depreciation of the *assignats* were due to forgery; and I think the overwhelming evidence is against it. It is quite possible there may have been a few forged *assignats* in circulation, but these were infinitesimal compared with the colossal issue authorized by the French Government.

Mr. CONSIDINE.—I thought my interjection quite pertinent.

Mr. JOWETT.—Quite so, but when repeated too frequently, it is apt to become a little less impressive. Launched under such auspices, with such sublime confidence that these *assignats* could never become depreciated in value, the issue took place, and the French Government continued the issue. One authority says, "The necessities of the State compelled enormous issues of these *assignats* until they became greatly depreciated." That is my point. The necessities of the State compelled enormous issues of this paper money until it became greatly depreciated, and that is why I welcome the proposal for a Board in Australia. It is not that I say for a moment that anything wrong has been done by any Australian Government in having issued the notes that they have issued, but there is the fear that at

some future date, since we are issuing Government notes which are not convertible into gold on demand—they are an inconvertible currency—they may be issued in excess and become depreciated. That, I say, is why I support the Treasurer's proposal for a Board. The history of the French note issue is very instructive. The French issued these *assignats* again and again, when they were in financial difficulties, and the amounts became colossal. In one decree, it was solemnly stated that the maximum issue was never to exceed 1,200,000,000 francs—a self-denying Ordinance—but further issues brought up the total to 3,750,000,000 francs, until a note representing 100 francs was worth only 20 francs in coin. The result of this was an enormous rise in the prices of commodities. The Revolutionary Government, no doubt from a most praiseworthy desire to protect the people from the effects of this enormous rise in prices which they had brought about—

Mr. CONSIDINE.—What had they brought about?

Mr. JOWETT.—They had brought about the enormous rise in prices by the tremendous increase in the circulation of paper money, and they issued decrees, endeavouring to fix prices to protect the consumers. Such endeavours, however, were hopeless. They passed most extraordinary laws, because these people of the revolution of 130 years ago had very great faith in the powers of compulsory legislation, but perhaps not much more faith than some of our friends opposite have to-day. Recourse was had to drastic legislation, that decreed six years' imprisonment against any one who should sell specie—that is, gold and silver—for a more considerable quantity of *assignats* than the *assignats* purported to represent, and for the second offence twenty years' imprisonment. That decree was promulgated on the 1st August, 1793. On 10th May, 1794, they decreed the death penalty in an endeavour to enforce their decisions. By June, 1794, according to the authority from whom I have been quoting, there were in circulation no less than 5,500,000,000 francs in the shape of *assignats*. Trade was paralyzed, and all manufacturing establishments were closed down. The

Government also passed decrees compelling people to bring in their corn and sell it at a fixed price. All these measures were found to be in vain.

Mr. CONSIDINE.—Was that during the period when the French Republic was at war with Europe?

Mr. JOWETT.—I think the French Republic was at war with Europe during most of its existence, and certainly it was at war during that period.

Mr. CONSIDINE.—As French commerce had been almost stifled, those conditions may not have been due merely to the overloading of the note issue.

Mr. JOWETT.—Doubtless, for all effects there are many causes. Life, both financially and spiritually, is complex. There are many tendencies always at work in different directions, and I should like to allow the fullest possible scope for the tendencies indicated by my honorable friend. France was at war during that period, practically fighting the whole of Europe. It might be said, and I am not prepared to deny it, that this enormous issue of *assignats*, which some people might term an over-issue, was the only means by which France could raise revenue to carry on a war of existence, and that the course she took was justified, because she did maintain her existence as a nation. I am not concerned at present with that aspect of the case. I am merely pointing out the effects of the enormous issue, or over-issue, of *assignats*. I wish to emphasize that here we have the evil effects of an over-issue of paper money bringing about an enormous rise in prices, placing vast numbers of people at a terrible disadvantage. I do not wish to raise the question of who or what was responsible for any issues of notes in various countries, including Australia, during the period of the late war. Those issues may have been necessary, or they may not. I emphasize the fact that those issues have taken place, and that there is a depreciation in the note issues of nearly all European countries, and in that of Australia, at the present moment. One of the results of that depreciated note issue is undoubtedly a certain measure of rise in prices.

Mr. CONSIDINE.—What would the honorable member say the extent of the depreciation was in this country?

Mr. JOWETT.—If the honorable member will remind me later, I shall give the

exact measure of the depreciation. I propose to give the clearest proof of it, because I notice with some amazement, and almost with amusement, that some people in this country claim that there is no depreciation in the note issue. I emphasize now the facts that the issue of paper has taken place, that a depreciation of the paper money has taken place, and that a rise of prices has taken place. The question now arises whether notes should be called in in order to bring the value of out notes to the sovereign, which they originally represented. The effect of that policy would be to bring about a considerable fall in prices, but to carry it into effect would, in its turn, create very grave evils.

Mr. WEST.—If your credit is good, why do you want to bother about gold at all?

Mr. JOWETT.—That is a theory which has been held by many great financiers and economic authorities, including the honorable member; but I do not propose so much to examine that theory at this stage as to examine the facts of the present situation, and the probable effect on prices of putting into force any theories which are held. It is rather curious that on this subject, to-day and at almost all times of which we have record of currency discussions, there have been two schools of thought. One may be called the expansionists—the people who say that the currency of the country should be expanded for various reasons. That is a very simple form of raising revenue, as was found in the French Revolution, and as was found in European countries, including Great Britain, and also in Australia, during the recent war. The honorable member for Robertson (Mr. Fleming) reminds me that it was also found a very simple form of raising revenue in the United States during the Civil War. It brings about a very buoyant condition of the finances, and of trade, for a time. I gather that one or two of my honorable friends opposite are among the expansionists. They do not say, “We cannot have too much of a good thing; we cannot have too much currency,” but they say, “We can do with a little more of it, and if the Government is short of money and does not want to curtail its expenditure, probably that is the best way of raising extra money.” People who hold that

theory I call, without disrespect, expansionists.

Mr. CONSIDINE.—Some of us think that whatever you do you are so far on the road to ruin that you cannot pull yourself up.

Mr. JOWETT.—I am afraid that is rather a melancholy view of life. I like to think I am in accord with my honorable friend on many matters, but on that point I cannot put myself in accord with him. I am not so great a pessimist as to think that we are on the road to ruin. There is no necessity to believe that we are on the road to ruin. All the terrible calamities which are preached and prophesied so frequently from the house-tops can be averted if we have good sound common-sense thinking amongst the people of Australia, and in this Chamber of legislature. There are always with us the school of expansionists, who believe in an unlimited currency. I gather from a hint from the honorable member for East Sydney (Mr. West) that they regard the holding of vast stores of gold as not at all essential. They believe that all the functions which have in the past been carried out by gold, but which are not now carried out by gold, could just as easily be carried out by the issue of paper money without any gold at all. There is always in existence another school whom I may, without disrespect, term contractionists. They believe in contracting the volume of money in the world. At the present moment they stand on what appears to be fairly good ground in saying that there has been too much paper money issued, and too great a rise in prices. But they do not stand on safe ground when they say that the best thing we can do is to bring about a fall in prices, get back to the old state of things, and call in all the redundant currencies. There might possibly be some measure of justification for that view if they confined themselves to the question of a contraction of redundant paper currencies; but the result of my observations is that long before we had any redundant paper currencies these same people were still contractionists. They did not believe in the expansion even of the metallic currency.

Mr. FLEMING.—They were stabilists.

Mr. JOWETT.—I shall deal with that point in a moment. They did not believe in the normal expansion of the currencies

of the world to meet the world's requirements, before we had any redundant paper money in existence. They stood openly for what they called a solid standard, which did not permit an expansion of the currency to enable them to face trade depressions and severe panics. The honorable member for Robertson interjects that they believed in stabilizing the currency. I cannot see any evidence of that whatever. In giving one or two instances, let me allude first to the features of the great Peel's Banking Act of 1844. I rather regret that I have been drawn aside to these somewhat recondite matters, but Peel's Banking Act, has been mentioned. It was an Act to make it impossible to increase the currency as the requirements of trade and industry demanded. There was a fixed amount—about £15,000,000—up to which the Bank of England was allowed to issue notes without holding any gold for them. But beyond this amount their note issues were useless. For one thing, the Bank of England was not allowed to issue £1 notes. The Bank of England was expressly created to lend the Government of William and Mary, without any security whatever, a large sum of money, and against that Government debt the Bank was allowed to issue notes of a denomination of £5 and upwards without any gold reserve. Not a bank in the whole of England was allowed to issue a note of a lower denomination than £5, and every note issued by the Bank of England in excess of the £15,000,000 due by the English Government had to be represented by gold.

Mr. FLEMING.—The bank had to hold in gold £1 for £1.

Mr. JOWETT.—That is so. For every £5 note issued there had to be a gold reserve to the same extent.

Mr. LAZZARINI.—But how often has that Act been suspended?

Mr. FLEMING.—On only three occasions before the last war.

Mr. JOWETT.—Yes; but I would remind the honorable member for Robertson that the Act was suspended only when the contracted system for which it provided had brought the whole of the commercial, financial, and industrial classes of England to the verge of ruin.

Mr. FLEMING.—Not at all.

Mr. JOWETT.—I assure my honorable friend that Peel's Banking Act of

1844, which was maintained by the contractionists of that day—the people who did not believe in enlarging or expanding the volume of currency in the country, to meet the requirements of commerce and industry—was from beginning to end a monument of folly. It has hardly been seriously justified by sound economists. On the contrary, it has been denounced by many political economists. It was a curse, and although it was suspended on three occasions before the war, its suspension did not take place until it had brought many people of the commercial, financial, and industrial classes of England to the verge of ruin. In a moment of panic it was suspended, and the stupendous folly of the Act then became apparent.

I have given a quotation to impress upon the House the evils brought upon mankind by the over-expansion of currency. I propose now to make a further quotation with the object of showing the evils, in the shape of severe and sudden falls in prices, brought about by over-contraction or, in other words, an inadequate supply of currency. For we have to guard against those who are in favour of creating a contraction of currency, just as much as we have to guard against the expansionists. I stand for the stability of currency and prices. Honorable members will all have a knowledge of the economic situation which followed the Battle of Waterloo. It will be recalled that during the great Napoleonic Wars there were in England periods of very high prices, due to various causes, and that almost immediately after the Battle of Waterloo there was a tremendous fall in prices. Many people seem to have only one desire nowadays, and that is to bring about a reduction in prices. They complain, very reasonably, of the high cost of living at the present time, and object very strongly to many of the causes responsible for it. But I do not think they quite realize the danger of a sudden, or even a gradual, breaking down of prices and the disaster that would thus fall upon the whole of the producing, manufacturing, and trading interests of the country. During the Napoleonic Wars the farmers of England, encouraged by the high prices then ruling, were producing to the utmost of their capacity. But at the close of 1815 a great fall in prices took place, and Mr. Walter Wallas, in an article on "Agriculture after Waterloo," published

in the *Cornhill Magazine* for September, 1917, deals with the effect upon the farming interests. After referring to the farmers, who, because of their inability to sell their produce, would be seen despondent and dispirited, walking home from market before noon, where a few years before they had driven in their smart gigs, he goes on to say—

Glad were they to get home early now to escape the tradesmen whose Christmas bills were unpaid, and even to save the small expense of the ordinary—

He was alluding there to the dinner held in the leading hotel in each market town on market day. I dare say that some of my honorable friends have enjoyed an ordinary in a leading country hotel in the Old Country—

Hundreds of farmers were already in gaol under the Debtors Act, even in rich counties like Somerset and Lincolnshire, and these were by no means always spendthrifts either, but often men who had been careful and industrious.

How would honorable members like to see that state of affairs, which was due to the collapse in prices, ruling in Australia, at the present moment?—

Many farmers were, with their families, in the workhouse, and in his favourite Suffolk, Arthur Young—

a great writer on agricultural subjects in those days—

would have found farmers whom he had known as substantial tenants glad to get work as day labourers. As he drew near homestead after homestead he would have seen the empty stack-yards—all had been threshed after harvest in 1815, and sold in a glutted market to pay the Michaelmas rent, or to meet more pressing liabilities of taxes, rate, or tithe, the banks having refused to advance the money.

I give this as an instance of the evil effects of a great contraction of currency and sudden fall in prices.

Mr. NICHOLLS.—In the coming harvest they will not be able to sell the wheat in New South Wales.

Mr. JOWETT.—I do not agree with the honorable member. This writer goes on to say that—

The plough was nearly at a stand, and the only trade that flourished was that of the bailiff. Land that had been reclaimed went back to the weeds. In Northumberland the Duke of Roxburghe was sowing down several farms with grass seeds. From Berkshire they wrote, "We are endeavouring to get our arable into grass as fast as possible." Eight thousand acres were unoccupied within a few miles of Long Stowe, in Cambridgeshire. No man would touch them.

At the prices ruling it did not pay to go producing.

Mr. CONSIDINE.—Does the writer attribute these results to the deflation of the currency?

Mr. JOWETT.—He does not theorize on the subject. He simply deals with the facts as taken from official documents of the times.

Mr. FENTON.—An undue contraction in currency may bring about a great fall in prices.

Mr. JOWETT.—And we may have brought about in that way just as great an evil as existed in England at the close of 1815.

Mr. MAHONY.—It is a great pity that we cannot get a pretty big fall in prices in Australia.

Mr. JOWETT.—I do not agree that we should have a sudden and serious fall in prices. Neither I, nor those whom I have the honour to represent, have had anything whatever to do with the increase in the currency of Australia.

Sir JOSEPH COOK.—Ask the honorable member for Dalley whether, if prices follow wages up, wages will follow prices down.

Mr. JOWETT.—I am interested to be reminded by the Treasurer that, while in a rising market prices follow up wages because an increase in wages must result in an increase in prices, it is likewise true that when a great fall in prices takes place wages also fall. The first effect of any contraction in currency is very widespread. It entails the breaking down in prices of primary products, and the output of manufacturing industries to a point when it becomes unprofitable for the farmer to produce, and the manufacturer to manufacture. In support of this view-point, I again quote Mr. Wallas's statement as to the effect of the great fall in prices upon the agricultural industry in England after the Napoleonic wars:—

Bankruptcies, seizures, executions, imprisonments figure in every second letter; tithes and poor rates were unpaid; improvements of every kind were discontinued; live stock were greatly lessened; tradesmen's Christmas bills could not be met.

In Lincolnshire they report "a large portion of land, recently broken up and burnt, not being worth cultivation." And with what feelings would Arthur Young—that optimistic advocate of enclosure, and of turning moors

into arable—have heard a wail from Devonshire. The great enclosures taken from moors and commons are quietly resigned to their ancient possessors, the heath and the furze; and vast sums expended improvidently in subjecting land of very indifferent quality to cultivation are lost for ever.

This breaking down of prices as the result of the undue contraction in currency has its inevitable effect upon wages and employment. So far as I can ascertain, wages have never been brought down in any country in the world by any other process than that which makes it unprofitable for the employer to carry on. The almost immediate effect of a contraction in currency is the unemployment of large numbers of workmen, because production has become unprofitable. I have been told that even now some manufacturing industries in this country, being unable to dispose of their output, are about to close down.

Mr. NICHOLLS.—Can you name any industry that is unable to get rid of its output?

Mr. JOWETT.—Yes, the boot-making industry.

Mr. NICHOLLS.—Why is that?

Mr. MAHONY.—Because people cannot afford to buy boots.

Mr. JOWETT.—That is exactly my point. Prices have been forced so high—and, unfortunately, the same applies to woollen goods—that people are unable to buy the goods.

Mr. NICHOLLS.—Why should boots be so high in price when hides are so low?

Mr. JOWETT.—The honorable member has asked me a question which on another occasion I should be pleased to answer fully. On this occasion the Standing Orders will not permit me to discuss it. In many manufacturing industries the cost of production has reached a point at which employers are no longer able to continue, and for the moment there is a danger of closing down. This movement has taken place in all economic history throughout the world. This widespread unemployment and a breaking down in prices generally are the inevitable results of any serious contraction in currency. Are those who advocate this course of events prepared to face such consequences upon the people of Australia? If we are to revert to those prices ruling for some years before the war we must expect a

great deal of unemployment and distress throughout the Commonwealth, until such times as prices and costs are readjusted.

I have emphasized the evils resulting from an undue inflation or contraction of currency, because I think the wise and statesmanlike course, namely, the stabilizing of currency, lies between the two extremes. The Bill, I understand, represents an attempt to insure stability by taking control of the note issue out of the hands of the Government, and placing it under an independent Board of experts. I am glad to think that the measure follows very much on the lines of the Federal Reserve banking system of the United States of America. I have a very vivid recollection of events in that country during my visit thirteen years ago—in September, 1907. There was a financial panic due entirely, in my opinion, to the fact that the people in control of the note issue were contractionists—of the same class as those who believed in Peel's Banking Act of 1884—making it impossible for currency to expand with the legitimate requirements of trade and industry. The honorable member for Wimmera (Mr. Stewart) was visiting the United States at that time, and no doubt will remember what took place.

Mr. LAVELLE.—I call attention to the state of the House. [*Quorum formed.*]

Mr. JOWETT.—I was asked by way of interjection a few minutes ago if I could state whether the currency in Australia had depreciated or not. It is just as well that this question should be placed fairly before honorable members.

Sitting suspended from 6.27 to 8 p.m.

Mr. JOWETT.—Prior to the suspension an honorable member had asked me if I considered that our Commonwealth notes were over-issued, and if they have depreciated in relation to gold. I do not say that our Commonwealth notes are over-issued. That is a matter of opinion; but it is a question of undoubted fact that they have depreciated in relation to gold.

Mr. TUDOR.—That is not peculiar to Australia.

Mr. JOWETT.—It is not; it is worldwide.

Mr. FENTON.—Could I get more for a sovereign to-day in Australia than for a £1 note?

Mr. JOWETT.—Possibly the honorable member would not get more than 20s. for a golden sovereign.

Sir JOSEPH COOK.—Even supposing that he could get a sovereign.

Mr. JOWETT.—That is so, and only the Treasurer can inform the honorable member where these most attractive golden sovereigns may be obtained. I wish to prove that a Commonwealth £1 note is not worth a sovereign to-day, but that a sovereign is worth a great deal more than a £1 note, by using as an illustration a recent sale of gold on the part of the Gold Producers Association of Australia. With respect to this matter I congratulate the Government and the Commonwealth Treasury upon having allowed the gold producers to obtain world's parity for their product.

Extension of time granted.

Mr. JOWETT.—The Gold Producers Association, although it was not permitted a free market for its products during the earlier part of the war, has been free, in the past two years, to market its gold where it can get the best price. We have, therefore, a method now which is, I think, absolutely accurate, and by which we can gauge the value of our gold in paper money, so measuring the depreciation of our currency. There is a school of thought in Australia which cannot realize that our highly-valued notes can ever become depreciated in relation to gold. Those who uphold the tenets of this school will not look facts in the face; it is the duty of this House to do so, however; to recognise that our paper money has depreciated in value, and to ascertain the exact degree of depreciation so that we shall not make any move in the dark. It was recently announced that a large sale by the Gold Producers Association had taken place. The precise quantity quoted consisted of 700,000 sovereigns, and the sale was conducted on the basis of £5 16s. 8d. per ounce. This is a very notable sale; and, although negotiations were conducted by medium of British notes, it is a fact that the British and the Australian note currency have remained upon a practically equal basis. A reliable comparison can, therefore, be made. The Gold Producers

Association made its sale to the National City Bank of New York. That is probably the greatest banking institution in the United States. As I have just said, that institution paid for fine gold at the rate of £5 16s. 8d. per ounce. The value of fine gold, if it were paid for in sovereigns, could never be more than £4 5s. per ounce. Our sovereign is equal to nearly one-fourth of an ounce of gold. There are 480 grains troy in an ounce. If a sovereign contained exactly one-fourth of that weight, namely, 120 grains, gold would be obviously worth £4 per ounce. Dealing now with fine gold, there are not 120 grains in a sovereign, but only 113. The equivalent worth of the gold in a sovereign is £4 5s. per ounce of fine gold, provided that the purchase money is paid in coined gold. That is, provided one is selling one's raw gold for sovereigns, fine gold would be always worth £4 5s. per ounce. Thus, it is obvious that if a person can get more than £4 5s. per ounce for his gold he must be getting it in some form of currency which has depreciated in relation to gold. The Gold Producers Association got £5 16s. 8d. in British paper money for every ounce of their fine gold. As I have said, our own notes and the British notes are of practically the same value in relation to one another, though they are both depreciated in relation to gold. The exact measure of this depreciation is shown by this sale to be that the British, and presumably the Australian, note of £1 is worth 14s. 4d. in gold. That is tested by the latest sale of Australian fine gold at £5 16s. 8d. per ounce. As for the argument that the British note issue has not depreciated, I quote the following remarks of Mr. Dyason, Chairman of the Gold Producers Association regarding earlier sales:—

It is, perhaps, rather humorous that there should be any controversy as to the fact of the depreciation of our currency, when in seventeen months we have purchased £6,340,723 of our currency—that is, notes—for £4,975,217 in sovereigns.

Mr. CONSIDINE.—Is the honorable member reading from the account of an interview with Mr. Dyason?

Mr. JOWETT.—No; from a statement made by him at the annual meeting of the members of the Gold Producers Association, at which he occupied the chair, and was reported in the daily

newspapers. My comment on it is that not only does it conclusively prove that there is a depreciation of our currency, but it also enables us to measure that depreciation. The position is this: If 6,340,723 £1-notes will buy only 4,975,217 sovereigns, how many sovereigns will a £100-note buy? A calculation shows the £100 bank note to be worth only £78 9s. 3½d. in sovereigns, which made the £1-note worth about 15s. 9d. when measured in gold, as tested by the large sales spread over seventeen months.

Mr. CONSIDINE.—Is it not worth much less than that now?

Mr. JOWETT.—It is worth less than that now, namely 14s. 4d., as tested by the latest scale.

Sir JOSEPH COOK.—It seems to me that the case is incorrectly stated. I think that the difference in value is due, not so much to the depreciation of our notes, as to the appreciation of gold in a market that is not free. That is only another way of stating the position, but it conveys a different impression.

Mr. LAIRD SMITH.—Can you buy more for a sovereign than you can buy for a £1-note?

Mr. JOWETT.—So far as I know, in no country in the world are there two retail prices for different kinds of money, because nowhere are there two kinds of money in circulation. Sovereigns are not in circulation now, either in Australia or in England, therefore there is no means of ascertaining whether one could buy more with them than with notes. Where you cannot buy or sell a commodity, it is useless to ask its price. The appreciation of gold and the depreciation of bank notes are two terms denoting the same fact. If gold has appreciated in comparison with paper money, paper money has depreciated in comparison with gold.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—The honorable member's time has expired.

Mr. LAZZARINI (Werriwa) [8.19].—Two of the statements made by the Treasurer (Sir Joseph Cook) in his second-reading speech were rather alarming. The first of these was that this is not the time when the National Parliament of Australia should come into conflict with the banking institutions of the country, and the second that under no circumstances should the National Bank of the Com-

monwealth be shown any consideration in preference to the private banking institutions. Dealing with these in their order, I ask why is it that we must not to-day trespass on the preserves of the favoured private financial institutions of the Commonwealth? Is it because the Government has to go hat in hand to them, begging to be allowed to use the credit of the nation, which they control? Is it because they hold the nation in the hollow of their hand, dictating terms, and doing just what they please? The Treasurer to-day scouted the idea that the banks might refuse to finance the wheat, and I accept his assurance; but what is the fear underlying his statement? Is it that the banks might close the avenues of credit necessary to the proper functioning of this and the other Governments of Australia. Why must we mention only in fear and trembling the financial institutions, the money-lords of the country? I think that this is the time when we should interfere with them, and when the National Parliament should mobilize the credit of this nation in order that we may overcome the difficulties and dangers, both financial and economic, into which the war has thrown us. We shall never do this merely by running the Commonwealth Bank alongside the private banks, and in no circumstances giving it any advantage over them. In my view, the opening of this Parliament was the proper time for the introduction of a Banking Bill, to nationalize banking by the extension of the operations of the Commonwealth Bank, so that it might control the banking of the Commonwealth, and take from the private institutions the power which they have too long wielded, and by the possession of which they can almost terrorize Governments, not only in this country but in every country of the world, compelling them to do their will, and be at their beck and call.

Some of the remarks of the last speaker (Mr. Jowett) seem to me to conflict with statements made by the Treasurer when moving the second reading. The former almost dogmatized as to the cause of the present excessively high prices being an inconvertible currency of paper money. In Great Britain, in France, and in Australia, we are told that it is because the paper currency is so inflated that prices

are high, yet in America it is said that prices are high because that country is loaded with gold; and I understand that the second statement is made also in Holland.

Sir JOSEPH COOK.—Both statements may be correct.

Mr. LAZZARINI.—I shall show that the talk about the need for a gold reserve and a gold basis for currency is so much nonsense.

Sir JOSEPH COOK.—The argument in America is, I think, that it is the credit which has been built on the gold that is the cause of the high prices in that country.

Mr. LAZZARINI.—How, in countries like Australia or in the British Empire, where there are so many private cheque-paying banks, can it be ascertained that the currency is inflated? It is possible to ascertain the ratio of notes to gold in this country, but, as I have pointed out on other occasions, the notes in circulation are not 5 per cent. of our total paper currency; and that is true of the Empire at large. I have seen the claim made by financial writers that, in countries like Australia and Great Britain, 95 per cent. of the actual trading and interchange of goods is effected by means of cheques. The Treasurer's own figures prove that to be so. In delivering his Budget he told us that the total of the deposits in the private banks of Australia has increased from £247,000,000 to £385,000,000. In round figures, the customers of the private banks of Australia are operating, by means of cheques, on deposits amounting to £400,000,000. Our gold reserve is about £60,000,000.

Mr. JOWETT.—No; £44,000,000.

Mr. LAZZARINI.—That makes my argument the stronger. Against the £400,000,000 represented by the cheques in circulation, there is a gold reserve of only £44,000,000, or about 11 per cent. of the value of the cheques. Whatever may be pledged to support the credit of the cheque-drawers—property or anything else—only £44,000,000 in gold stands behind it; therefore, the withdrawal of £10,000,000 worth of notes from circulation, or even the withdrawal of half our notes, would make practically little reduction in the paper currency of the country.

Mr. JOWETT.—There is a very important difference between cheques and

notes. Cheques are not legal tender, whereas the Commonwealth Bank notes are.

Mr. LAZZARINI.—My honorable friend has had too much experience of commercial life to back out in that way. I admit that acceptance of a note may be required, and that one cannot demand acceptance of his cheque. There is no compulsion to accept a cheque, but the fact is undeniable that cheques constitute 95 per cent. of our currency, and are paper currency.

Mr. JOWETT.—Cheques are not currency.

Mr. LAZZARINI.—I wish to demonstrate that the gold reserve is nonsense, taking into consideration the huge credit supported by the circulation of notes and cheques. If the old currency principle of the Bank of England were still adhered to, and gold in the shape of bullion or of sovereigns were kept in reserve for every note issue, there would be something in the argument concerning an inflated currency.

I think I have shown that the banking institutions of this country, including the Commonwealth Bank, have not more than 6 per cent. of the currency in gold. If you establish the fact that the commercial affairs of Australia, and of the British Empire as a whole, can be conducted smoothly, and without interruption on a circulation of credit, you establish at the same time that the principle of banking on such security is sound. I contend that there is no reason why private banking institutions should be allowed to grow rich on what is really the united credit of the people. The whole of that credit should be operated through the Commonwealth Bank for the benefit of the nation as a whole. I made a clipping from a paragraph appearing in the *Age* a short time ago referring to a report by currency experts appointed by the British Government to make financial reports, in which this statement occurs—

During the war the conditions necessary for the maintenance of a gold standard have ceased to exist.

The principle upon which the Bank of England was established was that there should be a sovereign kept in reserve for every note issued, and the honorable member for Grampians (Mr. Jowett) has admitted that in times of financial crisis, when any strain was put upon the people,

the gold ran away. It was the first thing to desert the country in its hour of need.

Mr. JOWETT.—That is quite true.

Mr. LAZZARINI.—I wish to make the complaint that it is only in time of war, when nations are tottering to their fall, or their very existence is threatened, that these instruments of credit are used, and no attempt is made to use them in times of peace for the benefit of the nation. They are made full use of when the purpose in using them is to destroy. These little pound notes which our friends opposite are despising so much, and the issue of which they contend must not be inflated, saved the Empire during the war. Two hundred millions of them sent the British armies to the Front to fight the Germans, kept British ships at sea, and financed the Empire through the war.

Mr. FOWLER.—Was it not the credit behind those notes that did it?

Mr. LAZZARINI.—I do not say that it was not the credit behind the notes, but I am arguing that it is only in such times of stress that those credits are made use of, and they are not used, as they ought to be, to develop the country in peaceful times. That is left to the mercy of financial institutions. I have referred to the huge amount of credit which, apart from gold, represents the security upon which the financial affairs of the nations are conducted to-day. The actual trading between the nations to-day is one of barter.

Sir JOSEPH COOK.—And yet the gold dollar of America is fixing the exchanges for the whole world.

Mr. LAZZARINI.—I have given the opinion of financial experts, but probably the Treasurer would not accept the views of experts quoted by me. I have shown that during war the nations did not rest on the security of a gold currency.

Sir JOSEPH COOK.—The honorable member is the only wise man now.

Mr. LAZZARINI.—I am not submitting that as merely my own opinion.

I ask honorable members to remember that we were told that the war was going to be a war to end all wars, and we were also told that after the war we were going to have a new world. That was said by Mr. Lloyd George in England, by M. Clemenceau in France, and by Mr. Wilson in America.

Sir JOSEPH COOK.—The trouble is that we have the same old Lazzarinis in it.

Mr. LAZZARINI.—I was not here then. We were told that the huge burdens that were oppressing the people would not be tolerated any longer, and that the working man would demand a newer and a better life in the world.

Sir JOSEPH COOK.—So we are better. We are getting £1,000 a year now.

Mr. LAZZARINI.—Let me tell the right honorable gentleman that every one of the little Bills he has been bringing in is adding to the burden on the taxpayer. Every attempt he makes to deal with the finances of the Commonwealth imposes an additional obligation upon the taxpayers. As taxation goes up, the standard of living goes down. That has been proved throughout history, and it is an economic truth which cannot be denied.

Sir JOSEPH COOK.—That is to say, that, as rates go up, the community is worse off.

Mr. LAZZARINI.—Oh, no. I see that economic truth is lost on the right honorable gentleman. I shall have to explain the matter to him fully later on. In my view, four of five months of the time of this Parliament has been wasted in endeavours to bring about what has been termed "industrial peace." With these huge financial burdens upon the people, it can never be brought about. In my opinion, every attempt so far made has simply added to the expenses of the people, and has aggravated the position. Something must be done to meet the trouble. If parliamentary institutions and responsible government are to attempt to solve the huge problems that confront us to-day, we must get to the root of the financial position. If we solve the financial problem, our other problems will be easy of solution.

I ask honorable members to consider the position in which Australia is to-day as the result of the complex banking and financial system we have adopted. There is no attempt made to mobilize the resources of the nation in times of peace to meet our obligations. We have now such a staggering burden of debt to bear that we must try to solve our financial problem. According to the figures given by Mr. Knibbs in the *Commonwealth Year-Book* for 1919, the Commonwealth public debt was then £350,000,000; the total debts of the States amounted to £396,000,000, and the debts incurred by local bodies to £64,000,000. These figures give a total of £810,000,000. The annual interest charge on the public debts

amounts, roughly, to £35,000,000. That is to say that to meet the interest on the national debt every man, woman, and child in the Commonwealth must raise £7 per year.

Sir JOSEPH COOK.—How much of that is earned by the assets?

Mr. LAZZARINI.—Very little.

Sir JOSEPH COOK.—The bulk of the State debts pay for themselves.

Mr. LAZZARINI.—No, they do not; and whether they do or not, the interest is a charge upon every industry, and must be paid before the workmen can get a farthing for their own benefit. It is the same with the interest bill on private indebtedness, to which I shall refer in a moment. A man, his wife, and three children are required to raise £35 annually to meet the interest on the national debt of Australia. I tried to discover as nearly as possible from the *Commonwealth Year-Book* the amount of private interest-bearing capital in Australia, and it works out at something over £1,000,000,000. That is, leaving out all the small fry. If I put down the interest on that capital at the comparatively low rate, at the present time, of 5 per cent. or 6 per cent., it will be seen that the interest bill amounts to £112,000,000 annually. If we add this amount to the £35,000,000, which must be paid in interest on the national debt, it will be seen that the 5,000,000 people of this Commonwealth have to raise £147,000,000 every year before they begin to obtain the necessities of life or those things which go to make life bearable to the individual. Allowing for possible errors, and estimating the total interest charge at £145,000,000, I find that every man, woman, and child in the Commonwealth must raise £29 per annum to meet the interest on Commonwealth, State, and private capital. A man, his wife, and three children must raise an annual revenue of £145 to meet the interest charge, and a family of eight must raise £232 annually. Honorable members may say that they do not pay that money, because they do not receive it. I am aware of that, but it is paid from the goods they produce. It is paid from their labour, and nothing else.

Sir JOSEPH COOK.—All from their labour?

Mr. LAZZARINI.—Yes, out of production. It does not fall from Heaven. Where else does it come from?

Sir JOSEPH COOK.—I may be wrong, but I thought that the machinery of production produced a great deal of it.

Mr. LAZZARINI.—Where would the machinery obtain the raw material upon which to work?

Sir JOSEPH COOK.—The honorable member said that labour did it all.

Mr. LAZZARINI.—I do not say that labour does it all in the sense the right honorable gentleman seems to infer, as meaning the man who works with a pick and a shovel. I refer to the producers in primary and secondary industries, who are the real workers in every nation. The middleman, who sells things over the counter, does not produce very much.

Leaving out the manipulations of profiteers, the unfair trading of monopolies and combines, and the profits made unduly out of the war, the finger at once is placed on the secret of the ever-increasing rise in the price of the necessary commodities of life. All other causes are subsidiary to this deadweight of interest on debt which is hanging over the people of every country. Yet we are told we must not attempt to interfere with the banking institutions. The Treasurer says it would be unwise to do so.

Sir JOSEPH COOK.—Indeed, I did not say any such thing. We have interfered with them time and again. We will not let them issue their own notes as they used to do. We have about £10,000,000 of gold we got from them at the beginning of the war.

Mr. LAZZARINI.—I understood the Treasurer to say that this was not the time to come into conflict with the banks. There is very little difference between that and saying that it would be unwise to interfere with them. In any case, I do not suppose the present Government would dare to come into conflict with the banks, seeing that they call them into conference every time they have a financial problem confronting them, and that every arrangement the banks choose to make they must either accept or reject. But what did the banks do in the time of crisis? If the Commonwealth Bank had not been in existence, if the Commonwealth note had not been legal tender, and if the Commonwealth Bank had not been behind them, the private banks of Australia would not have lasted more than 48 hours. They

would have been in the position of the banks of Great Britain. War had not been declared four days when all the banks in England closed their doors, and they would not have opened them again had it not been that the Chancellor of the Exchequer issued £200,000,000 worth of Treasury bills—which was afterwards, I believe, increased to nearly £300,000,000 worth—bearing no promise of redemption in gold, but simply having behind them the faith of the people in the stability of the British Government and the credit of the British nation. When any nation is threatened by a great crisis its Government always has to come forward and stand behind the banking institutions of the country. Otherwise they would close their doors.

Sir JOSEPH COOK.—For the very simple reason that, when war comes, it smashes up all ordinary organizations.

Mr. LAZZARINI.—As a man who stands behind a military policy and believes in having the country physically fit for war, surely the right honorable gentleman will stand behind a policy that seeks to have this country always financially fitted for war.

Sir JOSEPH COOK.—I do.

Mr. LAZZARINI.—If the right honorable gentleman would only close up the private banking institutions, and have only one bank with the whole of the credit of the Commonwealth behind it, he would find that when war broke out, his security would be unquestioned. Surely what is good security when an army is threatening the country is equally good security when there is no such threat.

Sir JOSEPH COOK.—Is this being done anywhere else?

Mr. LAZZARINI.—The right honorable gentleman wants a precedent for everything. The curse of this parliamentary system is the search for precedent with no attempt to break new ground. This policy will eventually bring parliamentary government further and further into disrepute until the people repudiate it.

Sir JOSEPH COOK.—I am merely suggesting that the experience of the world might be worth a little.

Mr. LAZZARINI.—It might be. But does the right honorable gentleman want to stop where the world was in banking

matters 200 years ago? Surely we have advanced in every way commercially and economically? Are we to stop dead financially speaking? Are the private banking institutions a preserve on which no Government dare tread?

Sir JOSEPH COOK.—Who has suggested this nonsense?

Mr. LAZZARINI.—I am glad that the right honorable gentleman admits that it is nonsense. I was under the impression that he was suggesting it.

Sir JOSEPH COOK.—It is all nonsense.

Mr. LAZZARINI.—Before I conclude, I shall quote an authority which the Treasurer will not ridicule, and which will bear out what I am saying, in regard to banking, although it does not advocate national banking.

The fact that when war broke out every nation in the world was compelled to discard all the old ideas in regard to the banking world, and open up new fields by pledging the whole of the security of the nation, making every individual stand side by side equally responsible in financial matters as in military service on the battle-field, proves beyond doubt that we have no need to worry or agitate ourselves about having sovereigns behind our notes, or about calculations as to how much gold makes a sovereign, or about where we are to get the gold, or whether we should permit its export.

Mr. CONSIDINE.—Before the war, all the authorities thought that a war could not last more than six months.

Mr. LAZZARINI.—Exactly. It was only the despised paper with no gold behind it, which my friends opposite do not seem to like, that was capable of keeping the armies of the world in the field. If we would only close up all private banking institutions, and have one bank with the whole of the resources of the Commonwealth behind it, we could finance anything. We could exploit the credit of Australia for the purpose of developing this young country as we, unfortunately, have had to exploit it for war. What is credit, about which we all talk so much? In the commercial world, and in an economic sense, it is nothing more than the present value of future profits. We exploit our credit to-day for Government undertakings. We spend

£1,000,000 or £2,000,000 on a developmental work, and immediately its construction is completed we have an asset against our expenditure, and the returns steadily derived from it are our future profits.

I have a quotation dealing with banks from *Theory and Credit*, by Henry Dunning McLeod, of Trinity College, Cambridge, and the Inner Temple, Barrister-at-Law, Secretary of the Royal Commission on the Digest of Law on Bills of Exchange, &c., honorary member of the Juridical Society of Palermo and of the Sicilian Society of Political Economy, corresponding member of the Society of Political Economy of Paris, and of the Royal Academy of Jurisprudence of Legislation of Madrid. This is what he says in regard to banking—

The whole of this confusion and mystery is cleared away by simply observing that a bank is merely a shop for the sale of credit, and the quantity of credit a bank will create is determined by the ratio of the demand for payment in money compared with the total quantity of credit created.

All a bank has to do to create credit is to have enough ready cash to meet immediate requirements in ratio to the credit created. If it has, say, a capital of £5,000, and its average immediate requirements work out at about £1,000 per week, it can multiply the amount of its credit in respect of the other £4,000 indefinitely. The balance is never called upon. It was in this way that the Commonwealth Bank building in Sydney was erected. I understand that it cost £450,000, but not a penny was borrowed for the purpose of building it. It actually cost the people of Australia nothing. As the bank had more money in its tills than its clients called for, it simply paid the workmen out of its till money, and now the Commonwealth has an asset worth at least £800,000.

Mr. JOWETT.—I think we ought to build Canberra on that system.

Mr. LAZZARINI.—We could build Canberra, or anything we like, on that system.

Sir JOSEPH COOK.—That is right! No more work now!

Mr. LAZZARINI.—The interjection of the right honorable gentleman brings one down from the sublime to the ridiculous. This is where work will give the

results to those who do the work, and not to those who loaf on the toiler.

McLeod goes on to say—

Bankers depend on the doctrine of chance just as insurance companies do. It is practically possible that all may demand payment at once, as it is theoretically possible that all persons insured may die at the one time.

Some time ago, when we were dealing with the question of war service homes, it was suggested that these homes might be built by the issue of Commonwealth notes. Thereupon the Treasurer interjected, "That would mean building the houses for nothing." He made a somewhat similar interjection this evening when he affirmed that if notes were issued in that fashion there would be no more work. I propose to quote one of the greatest authorities upon banking and financial matters in Great Britain—I refer to McLeod—to show that the banks do create these things out of nothing. If the Treasurer laughs at me for making that statement, he dare not laugh at McLeod when he makes it. That authority says—

The invention of cash credits has advanced the wealth of Scotland by centuries. We have an enormous mass of exchangeable property created out of nothing by the mere will of the bank and its customers, which produces all the effects of solid gold and silver. And when it has done its work it again vanishes into nothing at the will of the persons who called it into existence. Hence we see the mere will of man has created vast masses of wealth out of nothing, and then, having served their purpose, they are de-created into nothing from whence they came. They are melted into thin air. But the solid results are by no means faded. On the contrary, the solid results have been vast tracts of barren moor converted into smiling fields of waving corn, the manufacturer of Glasgow, Dundee, and Paisley, the unrivalled steam-ships of Clyde, great public works of all sorts, roads, canals, bridges, harbors, docks, and railways, and many others, and poor young men into princely merchants.

Mr. JOWETT.—But the whole of that paper money was issued by private banks.

Mr. LAZZARINI.—I did not say that it was issued by national banks.

Sir JOSEPH COOK.—I think that this little Bill deals with the proposed transfer of our notes to the Commonwealth Bank.

Mr. LAZZARINI.—And I am dealing with the tail of it. The honorable member for Grampians (Mr. Jowett) has interjected that the paper money of which

I have been speaking was issued by private banks. I am perfectly aware of that. My complaint is that our private banks do convert a few of our young men into princely merchants. Were it not for our private banks we should not have the industrial hell to which reference has been made.

Mr. JOWETT.—The honorable member's friend, Mr. Henry Dunning McLeod, does not say that.

Mr. LAZZARINI.—I know that. Only the other day when I advocated the creation of a cash credit for the payment of the wheat guarantee, the Treasurer said that that would mean the same thing as the issue of notes. It would mean nothing of the sort. We may put our paper into circulation, but the actual currency, whether it be gold, silver, or copper, is nothing more nor less than tickets of admission to the economic goods of life.

Dr. EARLE PAGE. — When the people had iron as their basis, it made a lot of difference in Sparta.

Mr. LAZZARINI.—The records of those days are too meagre to enable us to say precisely what happened then. McLeod says—

The essential business of a banker is to create and issue credits to circulate as money. I cannot for the life of me see any security behind the banking institutions of this country other than the united credit of its people, backed by the laws which are enacted for their protection in time of crisis. As that credit is created by the people it does not belong to the financial institutions, and should be manipulated for the benefit of the nation.

Sir JOSEPH COOK.—We are going to do that under this Bill by transferring the control of our Commonwealth notes to the Commonwealth Bank.

Mr. LAZZARINI.—What effect will that have upon the credit of Australia?

Sir JOSEPH COOK.—Has the honorable member read the Bill?

Mr. LAZZARINI.—Yes.

Sir JOSEPH COOK.—Then let him come down to earth and consider it a little. He has been upon the higher plane for quite a long time.

Mr. LAZZARINI.—I have nearly finished.

I have still another quotation from the same authority, which puts the whole of

our credit system into a nut-shell. The writer says—

As an example of the power of credit to create new products, we may cite the following instance. The States of Guernsey, having determined to create a meat market, voted £4,000 to defray the cost. Instead of borrowing this sum at 5 per cent., the Governor issued 4,000 cardboard tickets, on which were inscribed Guernsey meat market notes; they represented £1 each, and were legal currency by universal consent. With these notes they paid the contractor, and with them he paid his workmen, and all who supplied them with materials. They were freely taken by the tradesmen for goods, by landlords for rents, by authorities for taxes. In due course the market was completed. The butchers' stalls, with some public rooms over them, let for an annual rent of £400. At the expiration of the first year of this tenancy the State called in the first batch of notes numbered to 400, and with the £400 of real money received for rent, redeemed the £400 of representative money expressed by the meat market notes. At the end of ten years all the notes were redeemed through the application of ten years' rental. In this way they built a very good market without paying any interest on borrowed money, and without injuring anybody.

Mr. Predick Hill testifies that this was no isolated case, but that it was the usual method adopted in effecting public works. I may mention the abundance of paper money in Guernsey as a great cause of prosperity. The paper money is issued by the island Government in the following way:—When any great undertaking has been entered on by the States, such, for instance, as the opening of new roads, there is immediately an issue of £1-notes. These are sent out as the work proceeds, and as money is wanted. When the undertaking is completed and begins to yield an income, the notes are brought in again, and new undertakings are commenced. The notes are not payable on demand—indeed, the Government has not even an office at which they can be presented. The people find by experience that their representatives do not issue the notes in greater abundance than the demand for them justifies, and consequently no depreciation in their value is to be feared. Moreover, the purposes for which the notes are issued are of advantage to every man in the island, so that every one looks upon them as coming from a bank of which he is a partner. Here, then, in the little island of Guernsey we have, perhaps, the only instance in the world of a really national bank—a bank in which the whole property of the State is the security, and the profit of which is shared by the people at large. By means of this healthy currency undertakings of great magnitude have been executed during the past years.

Again, banks show in their balance-sheets that they possess so much in the nature of reserves, and so much in the nature of securities against their indebtedness. In speaking upon the system which they

use to increase their capital and their credit, McLeod says—

Banks, therefore, which issue the notes may increase their capital by receiving their own notes in payment, by which they turn their own notes into capital. But banks which do not issue notes may increase their capital in exactly the same way. A customer of the bank who has a balance to his credit is in exactly the same position as a note-holder. If he wishes to subscribe to an increase of capital by the bank, he simply gives the bank a cheque on his account. This is equally a release from a debt as a payment in the bank's own notes, and an increase of capital. If the customer has not sufficient in his account to pay for the stock he requires, he may bring the bank bills to discount. The bank discounts the bills by making a credit or deposit in his favour which, of course, is a negative quantity, like a bank-note. The customer then gives the bank a cheque on his account; that is, he releases the bank from the debt it has created, and that debt released becomes the increase in capital. This is the way in which the capital of all joint stock banks increased, and it may go on to any extent without any payment in money, and consequently, it is impossible for any one who has not had access to the books of the bank to ascertain what proportion of the capital consists of payment in money, and what portion consists of the bank's own temporary credit turned into capital.

There is another reason why banks fail so often. I now desire to say something about the floating of loans abroad. We have heard much about the difficulty of borrowing in London and abroad. I, for one, hope and pray we may never be able to float any more loans in London or anywhere else out of Australia; indeed, my wonder is that we ever floated any.

What happens when we float loans abroad? Our banking institutions being in private hands, and it being our habit to follow the advice of expert bankers, we really refuse, under the system, to use our own credit, or rather, and worse still, we pay other people interest for using our own credit. Does any one say that the money we borrow comes here? We are told that goods come by way of loan. That is an old argument that was in use many years ago, more particularly as between European countries. The idea was that when a merchant shipped, say, £1,000,000 worth of goods, instead of payment being made here or in London from the receiver of the goods, the buyer of the goods here placed the money in the bank to the credit of the Government, and the foreign money-lender liquidated the debt abroad. We were then supposed to have got goods by way of loan. When

we turn to the statistics from the colonization of Australia we find that from 1826 to 1918 the imports to Australia were £2,137,141,000, and the exports £2,297,062,000, not including gold. In the year 1917-1918 the excess of exports over imports was £160,000,000, which obviously means that there is that amount owing to Australia. But we have floated loans to the extent of hundreds of millions in England, not from the British Government, or from the people, but from British money-lenders, very often Jew money-lenders. We sell our bonds on the London market. What are these bonds? They are pieces of paper, really, bearing a promise to repay at a certain date, and to pay interest until the principal is liquidated. We sell those bonds through underwriters on the London Stock Exchange, and speculators buy them, and pass cheques to our agents, who, in turn, pass cheques to the bank with which Australia does business. A record is made of the money in the bank, and then, say that £5,000,000 has been borrowed, that amount is cabled to Australia, some bank being notified to lend it to the Government. Whose money and whose credit is involved in this? It is the credit of the Australian nation, and nothing else. Financial experts may tell us, perhaps, that we have got the credit of Britain; but how can that be when we pledge the credit of Australia to the extent of millions annually? These are some of the things which make an Australian-born sometimes angry. We are too often told of what we owe to the Empire, and to people outside, and how thankful we ought to be. I am not here to discuss the matter from that point of view, but when men, born outside Australia, come here, and have the effrontery to tell us that it is the Mother Country who has been financing us, and that we owe her hundreds of millions—that we owe everything we have to somebody else—it is time something was said on behalf of Australia.

I see that my time has now expired, and I move—

That all the words after "now" be omitted, with a view to inserting, "withdrawn for the purpose of its recasting and immediate re-introduction with more comprehensive clauses to provide for the nationalization of banking in order—

(a) to relieve the taxpayer of the heavy burden which will accrue from paying interest on future loans;

- (b) to provide credits to carry on Commonwealth and State undertakings;
- (c) to provide cash credits for rural industries in order to release primary producers from the grip of the financial institutions;
- (d) to consolidate the National Debt and put it on a sound footing;
- (e) to make proper financial provision for the nation to honour its obligations in full to returned soldiers."

Mr. MAKIN (Hindmarsh) [9.25].—

Ever since it was first intimated that this measure was to be introduced I have taken a great interest in the subject. I was somewhat amazed to read the views of the contributor, "Scrutator," to the financial columns of the *Argus* in regard to the financial intentions of the Treasurer (Sir Joseph Cook) when the right honorable gentleman announced that he proposed to submit a Banking Bill. Of course, the provisions of the Bill then contemplated were somewhat different from those in the measure before us, the highly contentious clauses having been eliminated.

Sir JOSEPH COOK.—Only on one point.

Mr. MAKIN.—That contributor to the *Argus* did not then speak in the kindest terms of the Treasurer's proposals, but the Melbourne papers of this morning gave the Bill their blessing; and we read such comments as this—

The Bill will, therefore, meet with no objections, except from those who aim at socializing all institutions and business, and who are not particular what price the public may pay in the way of special privilege for the concerns of Government.

It is rather amusing to read comments of that description; but it is a tragedy when we recognise the great impositions in the form of interest which we have had to pay to the great money-lords of this and other countries for financial accommodation during recent years. Before I sit down I shall give a *résumé* of the conditions and circumstances that govern private banking institutions in their relation to the public concerns of Australia and also point out the great economy that could be exercised if the financing of the country, both in war and peace, were conducted by medium of a national banking institution.

Sir JOSEPH COOK.—Who are those "great money-lords"?

Mr. MAKIN.—One has only to look at the directorates of some of the private

banking institutions which operate in Australia.

Sir JOSEPH COOK.—And in nearly every case we find that they represent thousands of small shareholders.

Mr. MAKIN.—I notice that, on those directorates, there are men of title and others who certainly are living on the hard earnings of the nation, and extracting profit through the medium of interest, while giving no *quid pro quo*. In view of the amendment submitted by the honorable member for Werriwa (Mr. Lazzarini) I feel that the nation is going to be able to right itself financially. I believe there is a way out of the great difficulties which confront this and almost every other country of the world; and that is by the people themselves taking control and financing their own operations, thus relieving themselves from the pressure of financial institutions outside. I am satisfied that, by this means, we can do much to place our country in a position of solvency.

There may be members on the other side who depreciate the value of a Commonwealth Bank. This afternoon, when my Leader (Mr. Tudor) was speaking, the Treasurer asked, "What advantage has the Commonwealth Bank been to the worker?" My reply would be that it has relieved him of impositions which otherwise would have been placed on his shoulders, because, when all is said and done, it is the producers of wealth who have ultimately to stand the responsibility and meet the obligation of paying.

Sir JOSEPH COOK.—How simple I am! I had the notion all the while that the worker to-day is much more discontented than he was when this bank began.

Mr. MAKIN.—I quite recognise that; but it is because of the false economic system which prevails. The Commonwealth Bank has unfortunately been circumscribed by all kinds of limitations, and has not been able to operate to the full extent which was first desired for it. Consequently, to-day, the circumstances are such that it has not been able to relieve the situation to the full, although it has assisted to do so in some measure. It is the bank that saved this country from financial ruin at the beginning of the war, for it placed the private banking institutions

in the position of having the assets of the nation behind them. I believe the time is coming when the people of this country, if they are to be protected from a financial crisis and even bankruptcy, can be saved only through the medium of their national bank.

Mr. RICHARD FOSTER.—In what way?

Mr. MAKIN.—If the honorable member had been paying attention to the speech of the honorable member for Werriwa, and had listened to the honorable member's amendment, he, as a keen business man, would have seen in what way that could be done. The relief I speak of can be secured to the people by the people themselves having the full advantage of the mediums of credit that can be created through the assets that they build-up as wealth producers. This can be best done through the medium of a bank which shall have a complete monopoly of the financial operations of the nation, and be able to relieve the taxpayers of the heavy burdens which accrue from the paying of interest on loans, by providing credits to carry on the Commonwealth and State undertakings, and cash credits for rural industries, in order to release primary producers from the grip of financial institutions, by consolidating the national debt, and putting it on a sound footing, and by making proper financial provision for the nation to honour its obligations in full. The financial institutions of the world have fattened on the proceeds of war.

Sir JOSEPH COOK.—As I understand it, you believe in the complete abolition of interest?

Mr. MAKIN.—The complete abolition of private banking institutions, and a complete monopoly for the Commonwealth Bank, or a National Bank that may be created.

Sir JOSEPH COOK.—Therefore, you believe in abolishing interest on money?

Mr. MAKIN.—Not necessarily, but I do not see why one section of private money-lenders should be able to extract as high as 20 per cent. interest on the capital they place in a banking institution, while other people, who are ordinary

depositors in the bank, receive only 3½ per cent. I cannot see any justification for the wide margin between those circumstances. The Western Australian Bank has paid as high as 20 per cent. by way of dividend.

Mr. JOWETT.—They are not charging that in interest to their customers.

Mr. MAKIN.—That is interest upon the capital that their shareholders have invested in the proposition. The private banking institutions really have no high standard of principle from the national stand-point. They have no particular country. All countries from which they can extract profit and interest are alike to them. They are creatures without a conscience. They are extracting interest from the people, and not providing the people with an equivalent in return.

The Treasurer has stated that the present unenviable position occupied by Australia in London, in the matter of meeting its liabilities, and securing credits there, is not due to any disrepute in which Australia herself stands, but is caused by the banks which have permitted large purchases to be made, while temporarily there has been a dearth of credit on the part of the banks in London. It is claimed in London that Australia should export her gold to establish credits there. That is a proposition by means of which the private banking institutions are endeavouring to make a personal convenience of what is a national asset, governing the stability of this country. I am satisfied that Australia does not stand in a position of disrepute with other countries because of anything for which she herself has been responsible. It is the private banking institutions and other financial mediums that have been responsible for producing these very undesirable circumstances to the detriment of the people of the Commonwealth. It is as well to take into consideration the profits that have been made by the private banks, so that the people may understand just how they are being imposed upon, and appreciate the fact that each year sees them in greater difficulties than before, so that, instead of being able to get out of the morass into which they have unfortunately allowed themselves to slip, they are becoming more deeply involved as time goes on. The following

tabulated statement shows the transactions of seven of the Associated Banks of Australasia for the seven years' period from 1912 to 1919:—

	Profits.	Dividends.	Reserves.	Period.
	£	£	£	
Bank of Australasia	3,419,749	2,638,000	3,227,823	October, 1912-1919.
Commercial Bank of Tasmania	359,118	261,718	213,886	August, 1912-1919.
The Western Australian Bank	445,987	375,000	732,971	September, 1912-1919.
English, Scottish and Australian Bank ..	873,258	873,258	653,935	1912-1919.
Bank of Queensland (after reconstruction) ..	107,259	81,000	26,259	January, 1918-1920.
Royal Bank of Australia	423,323	227,000	373,995	March, 1912-1920.
Bank of Adelaide	621,092	425,000	616,571	March, 1912-1920.
	6,249,786	4,880,976	5,845,440	

These are the figures for only seven banks out of the eighteen Associated Banks. The *Insurance and Banking Record* gives a complete summary for eighteen of the Associated Banks of Australia. I propose later to give their balance-sheets for last year, in order to convey to the public some idea of the extent of their operations. These great fortunes are secured out of the hard earnings and the production of the people. If such fortunes can be amassed as a result of the unwarranted profits that are made by controlling our financial credits and providing a convenient system of bookkeeping, it is about time that the nation took over the control in the interests of the whole of the people.

Sir JOSEPH COOK.—I suggest that the honorable member ask leave to continue his remarks at a later stage.

Mr. MAKIN.—I respond to the Treasurer's suggestion, and ask leave to continue my remarks at a later stage.

Leave granted; debate adjourned.

ELECTORAL (WAR-TIME) REPEAL BILL.

Mr. POYNTON (Grey)—Minister for Home and Territories [9.48].—I move—

That this Bill be now read a second time.
The Bill repeals the Commonwealth Electoral (War-time) Act, and no further explanation of it is necessary.

Mr. FENTON.—It is designed to remove certain disabilities?

Mr. POYNTON.—Yes.

Question resolved in the affirmative.

Bill read a second time, and reported from Committee without amendment; report adopted.

Standing Orders suspended; Bill read a third time.

ORDNANCE BUILDINGS, BRISBANE.

Mr. GROOM (Darling Downs—Minister for Works and Railways) [9.50].—I move—

That, in accordance with the provisions of the Commonwealth Public Works Committee Act 1913-1914, the following works be referred to the Parliamentary Standing Committee on Public Works for their report thereon, viz.:—
Ordnance and other Defence buildings at Kelvin Grove, Brisbane, Queensland.

On the authority of the House we have already erected Ordnance Stores at Leichhardt, Sydney, and are building similar stores at Seymour, Victoria. The House also authorized recently the erection of Ordnance Stores at Midland Junction, Perth, Western Australia, and we are proposing now to enter upon a similar work in Queensland. These stores at Kelvin Grove have been rendered necessary owing to the inadequacy of the present Ordnance Store accommodation in Brisbane, which is equal to only one-third of the requirements. The stores themselves are unsuitable. They were not designed for the purpose, and are not efficiently equipped. Great quantities of goods are at present stored in drill halls and rented premises. The drill halls are now required for training purposes, and the amount paid in rentals is £1,073 per annum, which expense it is considered

should be no longer incurred. The fact that these stores are housed in unsuitable premises, which are situated in several localities, entails unwarranted expense in administration, supervision, and caretaking. The erection of new, up-to-date, and commodious stores will obviate such unsatisfactory conditions.

The site proposed for these stores comprises a portion of the defence area now devoted to the accommodation of the Engineers' and Artillery Depot at Kelvin Grove, and a small area of land adjoining which it is proposed to acquire. The buildings generally will be erected with brick walls, concrete floors, and iron roofs, and will be similar in type, but of smaller dimensions, to the Ordnance Stores buildings now in course of erection at Leichhardt, New South Wales.

The buildings and works comprise the following:—Excavation of site, Ordnance Stores, Small Arms Ammunition Store, Administration Office building, luncheon room block, lavatory block, Unserviceable Goods Store, Inflammable Goods Store, machinery room, fencing and gates, formation of roads, water supply, storm water drains, electrical installation, lifts, and fire-prevention services.

The total estimated cost of the works is £53,041, and the details are as follows:—

	£	s.	d.
Excavation and preparation of Site	4,200	0	0
Ordnance Store block	26,071	10	0
Small Arms Ammunition Store	3,840	0	0
Administration Office block	2,008	0	0
Luncheon room block	910	0	0
Lavatory block	351	10	0
Unserviceable Goods Store	856	0	0
Inflammable Goods Store	470	0	0
Machinery room (for lifts)	175	0	0
Fencing and gates	240	0	0
Formation of roads	672	0	0
Storm water drains	692	0	0
Water supply hydrants	1,058	0	0
Electric lighting	482	0	0
Electric supply mains	750	0	0
Electrical installation—lifts	265	0	0
Lifts	3,500	0	0
Sprinkler system	3,000	0	0
Contingencies	3,500	0	0
	53,041	0	0

In accordance with the provisions of the Public Works Committee Act, I submit the plans, specifications, and estimates of the proposed work, and I ask the House to agree to the reference to the Public Works Committee.

Question resolved in the affirmative.

House adjourned at 9.55 p.m.

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 —† Sworn 11th May, 1920.—6. Elected 10th July, 1920. Sworn 21st July, 1920.
 7. Appointed Temporary Chairman of Committees, 13th May, 1920.

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